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O.K.
the cold-meat Sauce

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CONCERTED JAPAN-GERMAN ACTION SCHEDULED FOR LAST WEEK WENT WRONG

Striking Theory On Origin Of Japanese Peace Feeler

LONDON, FEB. 20 (REUTER).—A STRIKING THEORY AS REGARDS THE ORIGIN OF THE JAPANESE PEACE FEELER IS GIVEN BY THE NEWS-CHRONICLE'S DIPLOMATIC CORRESPONDENT.

He says some observers are of the opinion JAPAN and GERMANY had definitely planned a concerted action wherein a JAPANESE MOVE in the Far East would coincide with a GERMAN MOVE in Europe, and this action was scheduled for last week but FOR SOME REASON, NOT YET CLEAR, THE TIME-TABLE WENT WRONG.

Japan, therefore, devised the peace move on the spur of the moment to distract attention and fill in time until the disarranged time-table can be straightened out.

Other observers, the diplomatic correspondent continues, think the Japanese statement and Mr. Matsuo-ka's message were inspired direct from Wilhelmstrasse. They feel it was in logic of events that Hitler would make some sort of peace move before the spring-made military operations inevitable. They think the move is made in order to confuse and distract American attention and with the object of again fastening the blame on Britain and her allies for the continuation of the war.

The situation in the Far East should be steady by the arrival at Singapore of Australians in garrison stations in the Malay Peninsula, states THE TIMES, which adds that with the presence of troops and air contingents already on the spot, the lately reinforced peninsula should now feel safe against any unpleasant surprises such as those which occurred to the French in Indo-China.

Confronted suddenly with exorbitant demands, they were powerless to resist.

MERELY A WARNING
There is no threat against any other Power in this movement of troops, THE TIMES adds, which is merely a warning to all whom it may concern that neither Malaya nor any other British possessions in the Far East or the South Seas is to be incorporated in any Lebensraum of a foreign power.

The Singapore base is as far from Yokohama as Gibraltar is from New York and therefore can never be regarded as a menace to Japan, unless the expansionist ambitions, whispered into Japanese ears by their new found Nazi friends, should tempt her afield. Singapore's defences and those of its hinterland are now being strengthened at the same time and for the same reasons as America's strengthening of her string of bases in the Pacific.

"Duty Calls Me To My Country"

BROADCAST BY
HAILE SELASSIE'S
DAUGHTER

"I am proud and happy to be going back to the land of my fathers," said HER HIGHNESS PRINCESS SHAI, daughter of EMPEROR HAILE SELASSIE, of Abyssinia, when she broadcast from London yesterday.

"Many of you, I know, are parted from your own homes, so I am sure you will understand and appreciate my feelings, just as I understand you," said the Princess.

"I CAN NEVER FORGET
"I can never forget the circumstances in which I came here. For some weeks the enemy had been closing in on our capital. Then one afternoon we learned that we could not hope to hold the Italians out any longer.

"It was immediately decided that my father should go and plead his country's cause before the League of Nations. Three days later we were at the seacoast in Djibuti, in French Somaliland. The British Government sent a cruiser to take us to Palestine."

Continuing, she said that she had since those critical times been in England, where she had trained to be a nurse.

"I have come to know England and that means to love it. But duty calls me to my own country and I hope to join an ambulance unit there. Some of our women are even now fighting in the ranks and I must do what I can to help our brave patriots—both men and women."

SOVIET-JAPAN TRADE TALKS

Far-reaching Developments

TOKYO, Feb. 20 (Reuter).—It is officially announced that Soviet-Japan trade talks began in Moscow on Feb. 17, this being interpreted as a partial confirmation of local rumours of far-reaching developments due next month.

An official announcement reads: "In accordance with the agreement of views reached a short time ago between the Japanese Ambassador, Mr. Tatekawa, and Mr. Molotov, conversations on trade between the two countries were held for the first time in Moscow on Feb. 17.

The meeting was attended by the Ambassador, Counsellor Mr. Miyakawa and Secretary Oye representing Japan, and by the Acting Commissioner of Foreign Trade, M. Kaganovitch, Director of the eastern division of the Commissariat of Foreign Affairs, M. Kumyain, and another official representing the Soviet Union.

NO CAUSE FOR SURPRISE IN TOKYO

LONDON, Feb. 20 (Reuter).—The reinforcement of British defences in the Far East is the subject of comment by the DAILY TELEGRAPH which says in view of the tension which Japan, as a dutiful member of the Tripartite aggression pact, is stirring up in the Far East, the British Empire are taking elementary precaution in reinforcing defences in that region, AN ACTION WHICH CAN HAVE CAUSED NO SURPRISE IN TOKYO.

Japan has been meddling in Indo-China and Thailand and has sent strong squadrons into the Gulf of Siam which is within a short cruising distance of Singapore.

Her Foreign Minister proclaimed it her mission to dominate the Western Pacific while continually warning Britain and America to keep out of the way.

Maybe the whole thing is a game of bluff. If so, the game is fraught with signal dangers to Japan herself.

SHOW THE WAY

The paper adds the Japanese

FAMOUS COMPOSER PASSES

SIR HAMILTON HARTY

Sir Hamilton Harty, Kt. Mus. Doc., the famous composer and conductor of Irish birth, died yesterday at the age of 60, states a London message.

Sir Hamilton, whose compositions included "An Irish Symphony," "With the Wild Geese," and "The Mystic Trumpeter," married in 1904 Agnes Nicholls, the eminent vocalist, who received the C.B.E. in 1923.

The late Sir Hamilton conducted the Halle Orchestra for some years until 1933 and also conducted in Australia. He was knighted in 1925. (Special)

Parachutist Scare In Italy

LONDON, Feb. 20 (Reuter).—The landing of British parachutists in Italy caused a nationwide parachutist scare there, according to the Zurich correspondent of the DAILY TELEGRAPH.

He says the most unlikely places and most impossible hiding places are being searched and hundreds of innocent people were arrested.

The political correspondent of the Daily Telegraph said the whole of the daring exploit will be published when the authorities consider it safe to do so.

How much damage was done is not yet known in London. Photographic evidence is inconclusive. The raid is regarded in authoritative quarters as largely experimental and there is little doubt Britain intends to employ parachutists who get extra pay because of the greater risks on an increasing scale at various points.

"Common Belief That Bribery And Graft Are Rife:" Government Taken To Task In Budget Debate

HARSH ADMINISTRATION OF THE ESTATE DUTY ORDINANCE: FOOD CONTROL DEPT. SCRUTINY

"It is the common belief that bribery and graft are rife; and the head of a department has been credited with the practice of nepotism in its ugliest form."—HON. MR. LEO D'ALMADA, JUN.

"... 'Tse-fa' lotteries are fast becoming an open scandal."—HON. MR. W. N. THOMAS TAM.

"... No member of our local Heavenborn is ever dismissed for inefficiency. Perhaps the answer is that none is ever inefficient."—HON. MR. J. J. PATERSON.

"I do submit that excessive rates of levy, undue delay in obtaining legal representation, and harsh administration of the Estate Duty Ordinance, all constitute great incentive to evasion."—HON. MR. M. K. LO.

AIR DEFENCE OF GREECE

Force Augmented By Spitfires

News from Greece yesterday states that British co-operation with the Greeks in the air has been further augmented by the arrival of a squadron of Spitfires, states a message from London. These are described as a reassuring factor in the air defence of Greece.

Working with the Greek forces, they have helped the Greeks to make a strong advance in the past few days.

The latest report from Greece says that more Italian prisoners have been taken during mopping up operations.

Italian counter-attacks have been repulsed and a particularly heavy counter-attack was repulsed with heavy losses to the enemy. (Special)

Rumania Tightens Up Black-out

ISTANBUL, Feb. 20 (Reuter).—The military authorities in Rumania have tightened up the black-out and have even forbidden smoking in the streets at night, according to Jewish refugees from Bucharest arriving here by sea.

The situation in Rumania is relatively calm, the refugees say, but wireless talks continually warn the people of the effects of bombing attacks on cities nowadays.

Hints are given of possible R.A.F. attacks on Rumanian objectives, particularly the harbours and oilfields. These are totally under German control and the Rumanian authorities are powerless to interfere.

A man, Lo Kok-tai, 36, alleged to be a returned life banished, escaped from the Victoria Remand Home between 6 and 8.30 a.m. yesterday and was still at large last night.

Australians And Increased Preparedness

After a meeting of the Australian War Council yesterday, MR. P. C. SPENDER, the War Minister, announced that measures were to be taken this week to ensure increased preparedness and strengthened defence against an emergency, states a message from London.

Mr. Spender declared that half the Australian forces would remain in continuous training.

Mr. Stevens, the Commonwealth representative on the Eastern Group Council at Delhi, stated that Australia would be a dominant part of the Council. Every one in Australia would take the brunt of the demand for manufactured goods.

Immigration Department Investigation

CHIEF JUSTICE NAMED CHAIRMAN OF COMMISSION

The HONGKONG DAILY

PRESS was officially informed yesterday that the COMMISSION TO ENQUIRE INTO VARIOUS ALLEGATIONS which have been made against the Immigration Officer and his staff had already been appointed at a meeting of the EXECUTIVE COUNCIL which was held on Wednesday, before the Unofficial Members of the Legislative Council expressed their views so strongly on the subject at the Budget Debate.

The personnel of the Commission was not revealed but it was stated by a Government spokesman that HIS HONOUR the CHIEF JUSTICE, SIR ATHOLL MACGREGOR, would be the Chairman of the Commission, and that THREE OR FOUR OTHER UNOFFICIALS had been selected to serve on this body.

In view of the seriousness of the charges which have been levelled against this newly-formed Government Department, the public of Hongkong would have welcomed a decision for the selection of such a Commission solely by the Unofficial members of the Council from prominent members of the public, with, perhaps, a single Government officer holding a watching brief.

Such a procedure would have been appreciated, if the Government wished to convince the public of its desire to have the whole subject thoroughly investigated to the satisfaction of all sections of the community.

"There is pressing need for a thorough overhaul of a system which has raised the total of personal emoluments to such a fabulous sum that the Colony's taxable capacity in normal times is not equal to also providing what should be provided for our social services."—HON. MR. S. H. DODWELL.

The above are pungent passages contained in speeches made at the Budget debate meeting of the Legislative Council yesterday

Speeches by Hon. Mr. S. H. Dodwell; Hon. Mr. M. K. Lo; Hon. Mr. Leo D'Almada, jun.; Hon. Mr. W. N. Thomas Tam; Hon. Mr. A. L. Shields and Hon. Mr. Li Tse-fong will be found on Pages 7, 8 and 10.

morning when unofficial Members took Government to task with frank criticism for nearly two hours.

Replying to the debate, the Colonial Secretary, HON. MR. N. L. SMITH, announced that he was authorised by His Excellency the Acting Governor to state that he had on Wednesday, with the consent of the Executive Council, decided to appoint a strong Commission to enquire into various allegations which had recently been made against the Immigration Officer and his staff.

As regards FOOD CONTROL, Mr. Smith added, the whole organisation of this important defence department had been in the last week under very active scrutiny.

Hon. Mr. N. L. Smith
Gentlemen, I rise to propose the motion standing in my name.

On 18th January, 1941, by a Resolution of this Council the draft estimates of expenditure for 1941-42 were referred to a Select Committee consisting of myself, the Financial Secretary and all unofficial members of this Council. We now present our report in the form of the amended print bearing today's date.

As foreshadowed in the speech of the Honourable Financial Secretary on 18th January the provision for the construction of a new
Cont'd Page 9 Col. 1

Guam Budget Of Particular Importance

A sum of \$44,000 has been sanctioned by the United States Government for the strengthening of the defences at GUAM, states a London message, which adds that this indicates the determination of the United States to strengthen its position in the Pacific.

COL. KNOX, Secretary for the Navy, emphasised that the Guam budget was of particular importance.

"Japan and the United States can avoid war if the United States does not take the initiative," declared ADMIRAL NUMURA, the new Japanese Ambassador in Washington, in commenting on the developments in the Far East.

MR. MACKENZIE KING, the Canadian Prime Minister, announced yesterday that all Japanese in British Columbia would be called upon to register in the near future in order to prevent any illegal entries into the country.

The British decision to defend Singapore is welcomed heartily in the American press which expresses the view that further Japanese aggression in the Far East will not be permitted, Britain and America are now prepared for the worst in the Far East. (Special)

Today's News Summary

STRIKING THEORY of the origin of the Japanese peace feeler is given by a London diplomatic correspondent who writes that Japan and Germany had planned concerted action in the Far East and Europe which was scheduled for last week but the time-table somehow or other went wrong.

IT IS REPORTED that British forces in Italian Somaliland have crossed the Juba River and ten thousand miles of enemy territory are now in British hands. The South African Air Force has also been actively engaged.

ADMIRAL DARLAN, the Vice-Premier in Vichy, has returned from Paris where he had paid a second visit to M. Laval, self-confessed puppet of the Germans.

LONDON PRESS COMMENT points out that British military precautions in Malaya are elementary and could have come as no surprise to Tokyo.

THE DEATH OCCURRED in London yesterday, at the age of 60, of Sir Hamilton Harty, the famous British composer and conductor.

-On Other- Pages

- Page 2 Racing prospects; Will case.
- 3 Radio programmes; Coming events; Crossword puzzle.
- 4 Convoy query in Commons; Anglo-Spanish parity.
- 5 Tributes to Dr. Li Shu-fan; Summary Court claim; Funeral.
- 6 Leading article: Mediation offer by Invaders.
- 7-8-9-10-14 Budget debate.
- 11-12 Finance and commerce.
- 13 Round the Police Courts.

ADVERTISEMENT

THE HONG KONG
JOCKEY CLUB.ANNUAL RACE MEETING,
1941.

Postponed to:—

Third Day—Saturday,
22nd FebruaryFourth Day—Monday,
24th FebruaryFifth Day—Saturday,
1st March

On Saturday, 22nd, and Monday, 24th February, the first bell will be rung at 11.00 a.m., and the first race will be run at 11.30 a.m. On Saturday, 1st March, the first bell will be rung at 1.30 p.m., and the first race will be run at 2.00 p.m.

The tiffin interval will be after the fifth race on the third and fourth days.

MEMBERS' BADGES AND
ENCLOSURES

Members are reminded that they and their ladies MUST wear their badges prominently displayed throughout the Meeting.

NO ONE WITHOUT A BADGE WILL BE ADMITTED TO THE MEMBERS' ENCLOSURE.

Badges admitting non-members to the Members' Enclosure and Club Rooms at \$10.00 per day including tax—or \$40.00 including tax for the Meeting (ladies \$5.00 and \$20.00 respectively) are obtainable through the Secretary upon the written or personal introduction of a member, such member to be responsible for all chits, etc.

Badges admitting to Members' Enclosure will NOT be on sale at the Race Course.

The Secretary's Office, 1st floor, EXCHANGE BUILDING, (Tel. 27794) WILL CLOSE AT 9.45 a.m. ON THE FIRST FOUR DAYS, and at 11.45 a.m. ON THE FIFTH DAY.

A limited number of tiffins will be obtainable each day at the Club House, provided they are ordered in advance from the No. 1 Boy, (Tel. 21920).

NO CHILDREN WILL BE ADMITTED TO THE CLUB'S PREMISES DURING THE MEETING.

PUBLIC ENCLOSURE.

The price of admission to the Public Enclosure is \$2.00 per day including tax for all persons including ladies, and is payable at the Gate.

Soldiers and Sailors in uniform are admitted to the Public Enclosure at \$1.00 per day including tax.

Bookmakers, Tic Tac men, etc., will not be permitted to operate within the precincts of the Hong Kong Jockey Club during the Race Meeting.

Tiffins will be obtainable in the Restaurant in the Public Enclosure.

SERVANTS' PASSES.

Passes for Servants will be issued to Private Box holders ONLY on application to the Secretary, 1st floor, Exchange Building.

Any persons found loitering with Servants' passes in their possession will forfeit the same and will be removed from the Enclosure.

By Order,

C. B. BROWN,
Secretary.

Hong Kong, 10th Feb., 1941.

RACING PROSPECTS:

United Express, Manhattan
Are Now Joint Favourites
For The Rooty-Hill Derby

BY "LAST QUARTER"

There will be a record crowd at the Valley tomorrow as the Special \$1 Sweep on the Rooty-Hill Derby will be drawn for. At the time of writing, 980,000 tickets have been disposed of and there is a good chance of the million mark being reached. Owing to the accident which happened in the last race on Monday last, Mr. Craven, who sustained a broken arm, will not be seen on the saddle and there is a possibility of Mr. Wei not riding too. As the Rooty-Hill Derby is the chief attraction, I will comment on it at length.

Based on what I have seen of the entrants in this event, I feel I am justified in picking United Express as the probable winner with Manhattan as the next best pony. The latter pony won his race in very good time and quite easily which makes him very dangerous indeed.

Endeavour had a bad start in the Australian Valley Stakes and will be all out to make amends but he may not have the services of Mr. Wei as jockey. National Welfare is in good condition too and bound to make her presence felt in this company.

Vitamin M is not out of the running by any means and has been rostered specially for this race. I tip Malsall as the best outsider of the lot as this pony ran surprisingly well in the Australian Valley Stakes.

ROYAL NAVY CUP

There are three other races besides the Rooty-Hill Derby for 1941 Australian ponies and I think Araxy II, Never Never, Corsair, and Strathalbyn the best ponies to back in the first race which is over 14 miles.

Happy Returns and Jus Gentium will be the contestants for the Royal Navy Cup (Race No. 6) with Bugle as the next best and for the last race of the day, a six furlongs sprint, I like Optima Fide with Twinkling Star and Royal Sovereign as the good ones to follow.

There are two races for the 1941 Australian Griffins and I nominate Distant View as the winner of the Charter Cup (Race No. 3) with First Love and Fleetwing as good bets. Hascosay may spring a surprise here. For the tenth event of the day, a 14 miles affair, I like Gay Fox, Prairie View and Nomine Poenae.

FIRST LEG OF "DOUBLE"

The first leg of the Daily Double (Race No. 7) should prove to be an easy thing for Eve of Peace with Royal Wedding Eve and Eve of Hunting as the likely placed ponies, whilst in the 9th Race, the second leg of the Daily Double, I like Far View, Viceroy and Lancashire Chips.

China Griffins have two events provided for them and I tip Charleser, World Fair View, and Eve of Grandeur for the mile race (Event No. 2) and Oolong, Velvet-light, and Eve of Deception in the penultimate event.

INTERESTING RACE

The Fourth Race should be an even and interesting one with Burford, Navylight, and Eve of Harvest fighting out the finish and for the Australian "C" Class race I am strong for Australian Prince, Warrego River, and Venus Bay.

My final selections will appear in tomorrow's issue.

SPORTING
FIXTURES

TODAY

SWIMMING.—European Y.M.C.A. Winter Swimming. Instructional Classes.

WATER-POLO.—European Y. M. C. A. v. Middlesex Regt. ("Y" pool), 7.15 p.m.

TOMORROW

CRICKET—"A" Division: Kowloon C.C. v. Recreation; Civil Service C.C. v. University. "B" Division: University v. Craigengower; Indian R.C. v. Police.

FOOTBALL—Senior Shield: Second Round, Police v. South China (Boundary Street), 4.15 p.m. Royal Scots v. Navy (Bookun-poo), 4.15 p.m. Junior Shield: Second Round, South China v. Police (Boundary Street), 2.45 p.m.; R.A.S.C. v. 30th R.A. or Signals (Bookunpoo), 2.45 p.m. First Division: Kowloon v. Club (Kowloon), 4.15 p.m. Second Division: Middlesex v. Royal Scots (Kowloon), 2.45 p.m. Club v. Kowloon (Caroline Hill), 2.45 p.m. Third Division: 36th R.A. v. R.A.F. (Stahley), 2.45 p.m. RACING.—Hongkong Jockey Club's Annual Race Meeting.

No Caer Clark
Cup Hockey
This Season

A decision to let the Caer Clark Cup competition lapse this year but to continue the seven-a-side tournament as usual was reached at the annual meeting of the Hongkong Ladies' Hockey Association held at Gloucester Hotel yesterday.

The Acting President, Miss E. M. Gray, presided, assisted by Mrs. I. Joyce.

In presenting the annual report Miss Gray expressed her gratefulness to Mrs. O. Burnett and Mrs. I. Joyce for drawing up the report, which was as follows:—

During the year under review six teams competed in the Senior League, "Y" Ladies winning the Caer Clark Cup for the fourth year in succession, and the St. Andrew's Ladies being runners-up for the Southern Cup. In the Junior League seven teams competed, resulting in Argonauts winning the Brawn Cup, and D.G.S. taking second position for the Mamak Cup.

ARGONAUTS EFFORT

The annual Seven-A-Side Tournament was held on the C.B.S. ground on Feb. 10, resulting in the Pearce Cup being won by C.B.A. and the Knill Cup by Argonauts. Special mention should be made of the splendid effort on the part of the Argonauts, who, in their first year of competitive hockey, won both the Brawn Cup and the Knill Cup.

Due to the present European war the Interport series with Shanghai was not held.

It is with regret that we have to report the resignation of our President, Mrs. T. E. Pearce. Mrs. Pearce has been our President since the inception of the Hongkong Ladies' Hockey Association, and we take this opportunity of placing on record our deep appreciation for all the valuable help and advice she has at all times given the Association during her tenure of office.

We thank Miss E. M. Gray for so kindly consenting to act as President for the remaining portion of the Season.

At the suggestion of Miss Gray the election of the President was left vacant for the duration until more normal times. Miss Gray was unanimously elected Vice-President while Miss R. Smith was elected Hon. Secretary and Treasurer.

The following were elected to the Council:—Miss M. Remedios and Miss A. Alves (Recreio), Mrs. O. Burnett and Miss M. McCaw ("Y"), Miss M. Smalley and Miss M. Booker (H.K. Ladies), Miss F. Wong and Miss G. White (St. Andrew's), Miss E. Chum and Miss V. Jex (D.G.S.), Mrs. C. Figueredo and Miss M. Maxwell (Argonauts), Mrs. Joyce and Miss Baxter (C.B.A.).

BOMBER FUND

A proposal by Mrs. Joyce to make a donation to the Bomber Fund was unanimously adopted by the meeting and the initial sum of \$400 was decided upon. It was decided to turn this year's seven-a-side tournament to the benefit of a similar cause and Miss Gray expressed a hope for more hearty response from the public. After discussion, this question was left to the Council.

at Happy Valley, 11.30 a.m. (Third Day).

SUNDAY, FEBRUARY 23

FOOTBALL—Senior Shield: Second Round, St. Joseph's v. Sing Tao (Navy), 4.15 p.m. Kwong Wah v. Eastern (Boundary Street), 4.15 p.m. Junior Shield: Second Round, Sing Tao "B" v. 36th R.A. (Club), 4.15 p.m. Navy or Eastern v. International (Navy), 2.45 p.m. Second Division: R.A.O.C. v. Kwong Wah (Caroline Hill), 2.45 p.m. Kit Chee v. R.E. (Caroline Hill), 4.15 p.m. Third Division: 24th R.A. v. A.S.A. (Chatham Road), 4.15 p.m.

WITNESS TURNS KING'S
EVIDENCE IN WILL CASE

Discharged when the prosecution offered no evidence against him, LI YAT-SING, 42, broker, turned King's evidence at the resumed hearing yesterday of the case in which LUI FOOK-WING, alias Kong Keung, 45, broker, and LI WAH-SING, alias Li Pang, 37, unemployed, are charged with uttering a forged document on June 18, 1940, purporting to be the will of the late Lau Mau, obtaining a loan of \$3,000 on mortgage of the property mentioned in the will, and causing rent on the property to be collected, knowing the will to have been forged.

First defendant is additionally charged with making a false affirmation at the Supreme Court in a petition for probate and conspiring with others to forge the document.

The case is being heard before Mr. G. T. Lowry at the Central Magistracy.

Mr. Hin-shing Lo, instructed by Mr. S. Ng Quinn, conducted the prosecution, and was assisted by Sub-Insp. C. H. Goodwin, while both defendants were represented by Mr. M. A. da Silva.

Earlier, Mr. Silva said that the turnover was "a serious abuse of the process of the Court," suggesting that Li was arrested on a warrant and brought up in Court to be discharged just to use him as a witness for the prosecution.

THE OBJECTION WAS OVER-ULED.

OWED MONEY
In evidence, Li stated that he owned the elder brother of second defendant some money. Some time last year, second accused asked him for its return. Since he was unable to do so, he was told that if he signed his name on a will, he not only did not have to return the money, but in addition would have between \$200 and \$300 after the house, mentioned in the will, was sold.

He said that he signed the document in the name of Lau Hing, which was his alias.

Witness was also told by second defendant that the document was the will of Lau Mau, that it indicated that Lau's house would be given to his god-son, and that unless two people signed it as witnesses, no power of administration would be granted.

After signing, he went with the defendants to a lawyer's office to take an oath there and later to the Supreme Court to declare affirmation as to truth of the death of the deceased, because, he said, he was told to do so and he did not know the law.

STRANGE WOMEN

After the arrest of the defendants, he went away because he had been approached by two strange women and he was afraid that he might be assaulted by the accused.

Cross-examined by Mr. Silva, he denied that he was giving false evidence in favour of the prosecution in the hope that he would not be involved and that he had been induced to give evidence in return for the withdrawal of the charge against him.

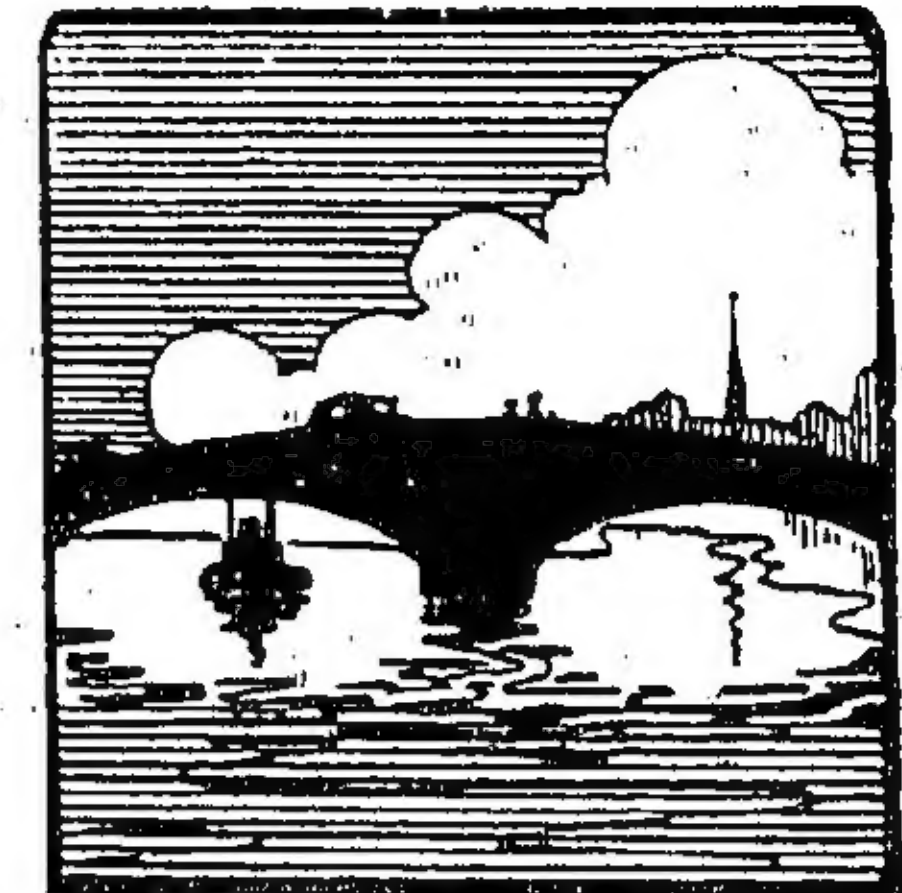
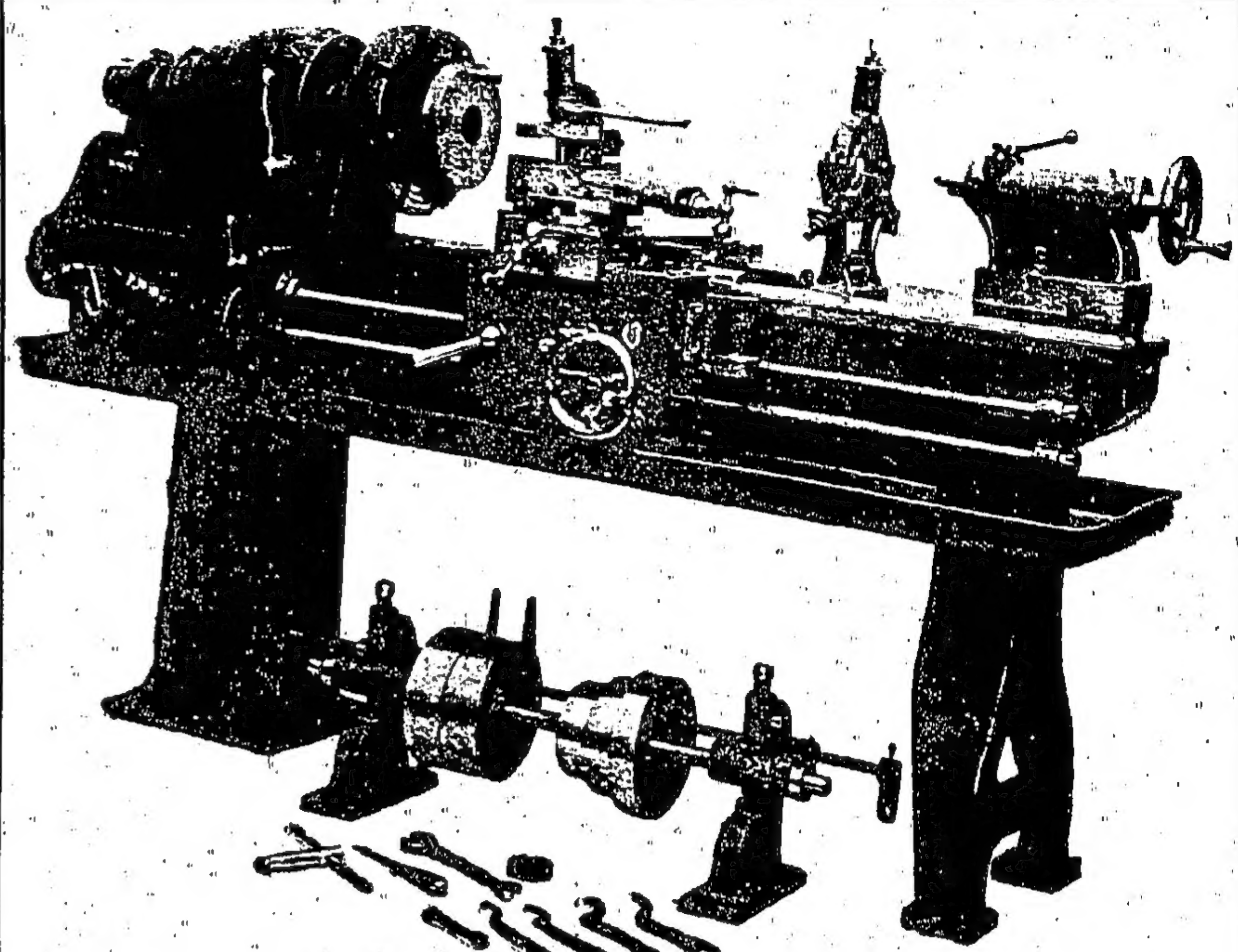
Hearing was adjourned to Mar. 3, at 2.30 p.m.

WEATHER REPORT

Hongkong Royal Observatory,
10 a.m., Feb. 20.
Barometer, (at sea level), 29.91 ins.
Temperature, 68 F.
Humidity, 92 per cent.
Wind Direction, E/S
Wind Force (Beaufort), 3.
Temperature: maximum yesterday, 69 F.
Temperature: minimum last night, 64 F.
Rainfall for 24 hrs. ending 10th today, 0.44 ins.
Total rainfall since January 1st, 8.78 ins.
Against an average of, 2.44 ins.
Sunset tonight, 6.22 p.m.
Sunrise tomorrow, 6.51 a.m.
4 p.m., Feb. 20.
Barometer (at sea level), 29.82 ins.
Temperature, 68 F.
Humidity, 91 per cent.
Wind Direction, Calm.
Wind Force (Beaufort), 0.
Maximum temperature, 71 F.
Minimum temperature, 64 F.
Rainfall, 0.22 ins.

HONG KONG TIDE TABLE
From 21 to 27 Feb. 1941.

Days of Week	Days of Month	HIGH WATER		LOW WATER	
		Hong Kong Standard Time	Height	Hong Kong Standard Time	Height
Fri.	21	06.54	4.1	00.18	2.0
		17.47	6.4	10.21	3.7
Sat.	22	08.06	4.3	01.20	1.6
		18.03	6.8	11.52	3.7
Sun.	23	08.55	4.5	02.20	1.3
		19.48	6.8	12.58	3.1
Mon.	24	09.28	4.6	03.48	1.1
		20.37	7.0	13.47	2.3
Tues.	25	09.57	4.9	03.14	1.1
		21.20	7.0	14.22	2.9
Wed.	26	10.29	5.1	03.43	1.1
		21.55	6.9	15.14	2.6
Thur.	27	10.52	5.2	04.13	1.2
		22.35	6.8	15.54	3.5

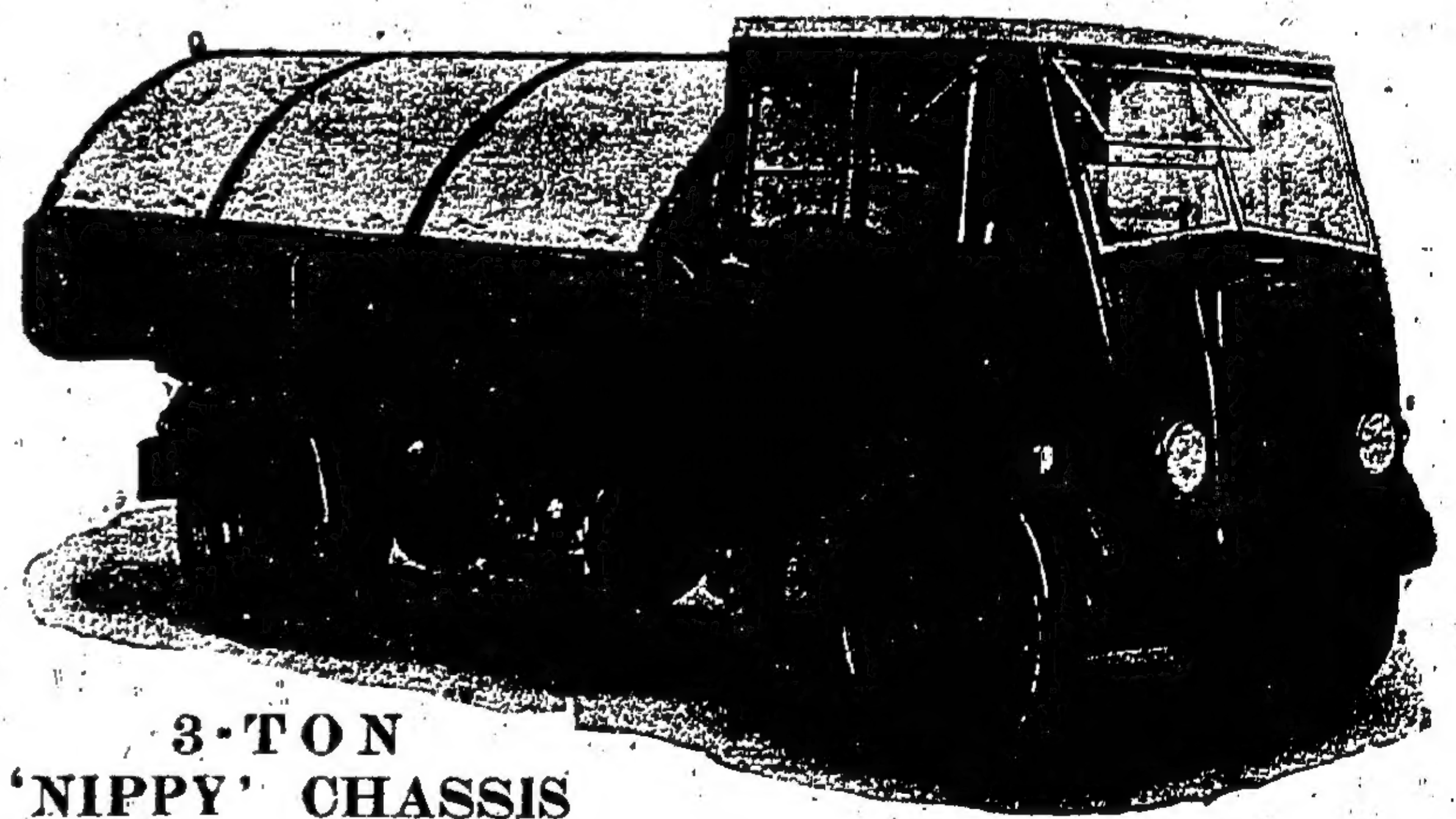
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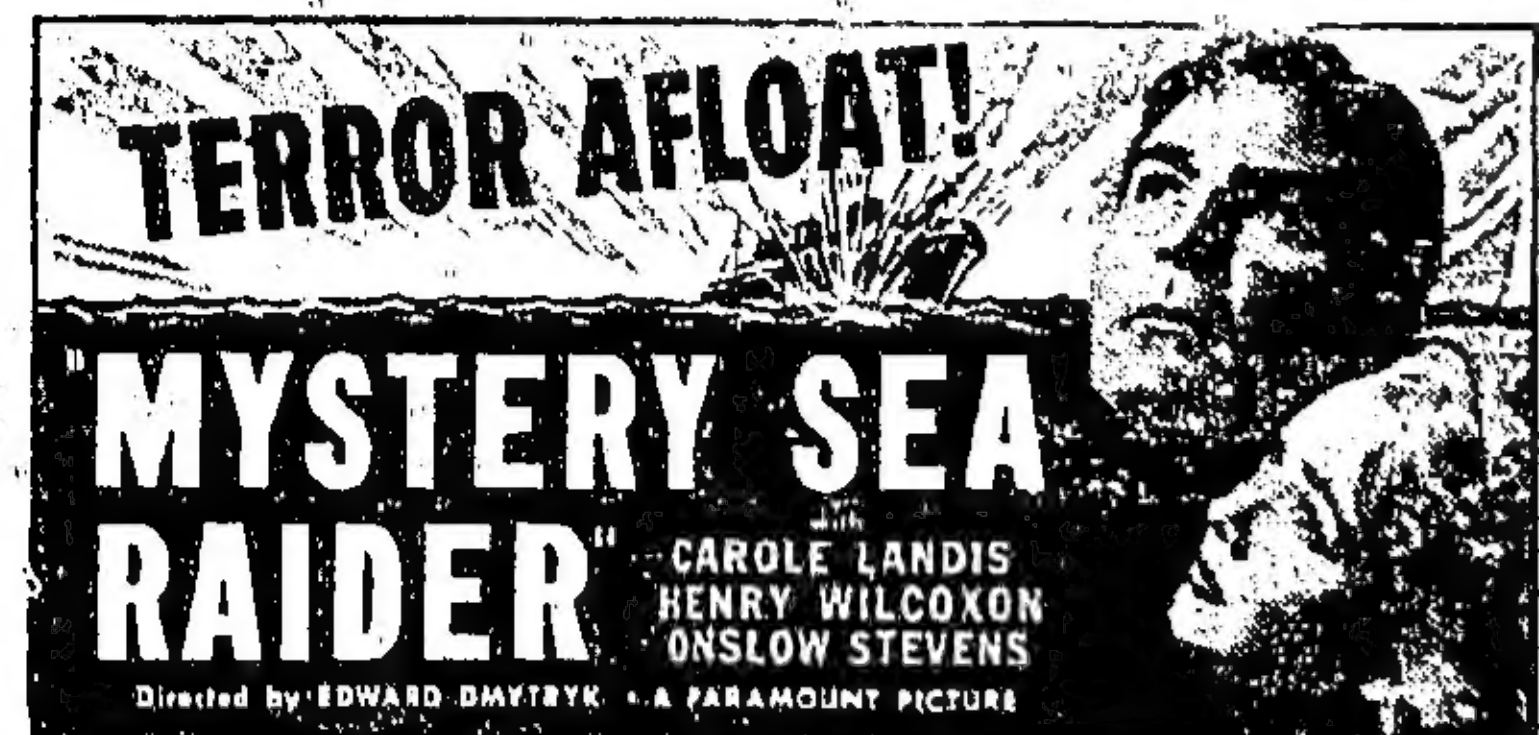
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THE MOST BREATHLESSLY EXCITING STORY
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INSPIRED BY CURRENT HEADLINES!



SUNDAY "TOM BROWN'S SCHOOL DAYS"
RKO Picture • Sir Cedric Hardwicke • Fred Bartholomew

COMING EVENTS

FEB.
21—Tides: High 6.54 a.m. and 5.41 p.m. Low 12.18 a.m. and 10.21 p.m.
Sunrise: 6.51 a.m.; Sunset: 6.23 p.m.
H.K. University: Lecture by Prof. P. B. Wilkins on "Coronary Syndromes," under auspices of the University Medical Society, 8.30 p.m.
Ladies' Working Party (B.W.O.F.), Govt. House, 9 a.m.—12.30 p.m.
H.K. Chamber Music Club Concert, University Great Hall, 9.15 p.m.
Exhibition: Basketball, Chinese Y.M.C.A., 7.30 p.m.
Crown Land Sale, D.O. South, 11 a.m.
D.B.S. Old Boys' and D.G.S. Old Girls' annual joint supper dance, Peninsula Hotel, 9 p.m.

Lecture: Dr. K. C. Wesley May on "War Medical Service In Korea," University Union Assembly Room, 5.30 p.m.

22—Tides: High 8.06 a.m. and 6.53 p.m. Low 1.20 a.m. and 11.52 a.m.
Sunrise: 6.50 a.m.; Sunset: 6.23 p.m.
H.K. Jockey Club's Annual Meeting, Third Day, 11.30 a.m.

Exhibition of Chinese Paintings, St. Francis Hotel, 10 a.m. to 6 p.m.
Lecture: Dr. Cliff on "Prophecy," 77 Pokfulam Road (3rd floor), 8.30 p.m.

23—Tides: High 8.55 a.m. and 7.48 p.m. Low 2.05 a.m. and 12.58 p.m.
Sunrise: 6.50 a.m.; Sunset: 6.24 p.m.
Junior Golf Championship—Final, Fanling Hunt Point-To-Point Meet, 3 p.m.

Y.M.C.A. Discussion Group, West Lounge, 9 p.m.

24—Tides: High 9.28 a.m. and 8.37 p.m. Low 2.42 a.m. and 1.47 p.m.
Sunrise: 6.49 a.m.; Sunset: 6.24 p.m.
Ladies' Working Party (B.W.O.F.), Govt. House, 9 a.m.—12.30 p.m.

Crown Land Sale, P.W.D. Office, 3 p.m.
H.K. Jockey Club's Annual Meeting, Fourth Day, 11.30 a.m.

25—Tides: High 9.57 a.m. and 9.20 p.m. Low 3.16 a.m. and 2.32 p.m.
Sunrise: 6.48 a.m.; Sunset: 6.25 p.m.
H.K. Rotary Club, 10th Anniversary Dinner, H.K. Hotel, 8.15 p.m.

26—Tides: High 10.29 a.m. and 9.58 p.m. Low 3.43 a.m. and 3.14 p.m.
Sunrise: 6.47 a.m.; Sunset: 6.26 p.m.
Ladies' Working Party (B.W.O.F.), Govt. House, 9 a.m.—12.30 p.m.

Annual Meeting of H.K. and Shanghai Banking Corporation, noon.

27—Tides: High 10.53 a.m. and 10.35 p.m. Low 4.13 a.m. and 3.54 p.m.
Sunrise: 6.47 a.m.; Sunset: 6.27 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

Star Ferry Co. Ltd., Annual Meeting (Jardine, Matheson & Co. Office), 11 a.m.

28—Tides: High 11.17 a.m. and 11.07 p.m. Low 4.42 a.m. and 4.35 p.m.
Sunrise: 6.46 a.m.; Sunset: 6.27 p.m.
Kowloon Residents' Assn., Annual Meeting, St. Andrew's Hall, 6 p.m.

Ladies' Working Party (B.W.O.F.), Govt. House, 9 a.m.—12.30 p.m.
Vocal Recital by Y. K. See, Peninsula Hotel, 9.15 p.m.

Star Ferry Co. Ltd., Annual Meeting (Jardine, Matheson & Co. Office), 11 a.m.

29—Tides: High 11.47 a.m. and 11.37 p.m. Low 5.12 a.m. and 4.55 p.m.
Sunrise: 6.45 a.m.; Sunset: 6.28 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

30—Tides: High 12.17 p.m. and 12.07 p.m. Low 5.42 a.m. and 5.25 p.m.
Sunrise: 6.44 a.m.; Sunset: 6.29 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

31—Tides: High 12.47 p.m. and 12.37 p.m. Low 6.12 a.m. and 5.55 p.m.
Sunrise: 6.43 a.m.; Sunset: 6.30 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

32—Tides: High 1.17 p.m. and 1.07 p.m. Low 6.42 a.m. and 6.25 p.m.
Sunrise: 6.42 a.m.; Sunset: 6.31 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

33—Tides: High 1.47 p.m. and 1.37 p.m. Low 7.12 a.m. and 6.55 p.m.
Sunrise: 6.41 a.m.; Sunset: 6.32 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

34—Tides: High 2.17 p.m. and 2.07 p.m. Low 7.42 a.m. and 7.25 p.m.
Sunrise: 6.40 a.m.; Sunset: 6.33 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

35—Tides: High 2.47 p.m. and 2.37 p.m. Low 8.12 a.m. and 7.55 p.m.
Sunrise: 6.39 a.m.; Sunset: 6.34 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

36—Tides: High 3.17 p.m. and 3.07 p.m. Low 8.42 a.m. and 8.25 p.m.
Sunrise: 6.38 a.m.; Sunset: 6.35 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

37—Tides: High 3.47 p.m. and 3.37 p.m. Low 9.12 a.m. and 8.55 p.m.
Sunrise: 6.37 a.m.; Sunset: 6.36 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

38—Tides: High 4.17 p.m. and 4.07 p.m. Low 9.42 a.m. and 9.25 p.m.
Sunrise: 6.36 a.m.; Sunset: 6.37 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

39—Tides: High 4.47 p.m. and 4.37 p.m. Low 10.12 a.m. and 9.55 p.m.
Sunrise: 6.35 a.m.; Sunset: 6.38 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

40—Tides: High 5.17 p.m. and 5.07 p.m. Low 10.42 a.m. and 10.25 p.m.
Sunrise: 6.34 a.m.; Sunset: 6.39 p.m.
H.K. Y's Men's Club Tiffin Meeting, 1 p.m.

Radio Programmes

HONGKONG

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B metres (845 k.c.s.) 31.5
W metres (8.3 megacycles)

THEATRELAND AND OTHER LONDON RELAYS

Variety Programmes
12.15 p.m. Short Service of Intercession.

12.30 Tito Schipa (Tenor) and New Light Symphony Orchestra.

Betrayed Woman (Neapolitan Melody—Cutillo-Schipa); My Angel (Film "Angela della Strada"—Pollack and Others); Tito Schipa (Tenor) with Orchestra, Spanish Dance, No. 1—Oriental (Granados); Spanish Dance No. 2—Andalous (Granados)—New Light Symphony Orchestra.

Castilian Moonlight (Longas & Others); Tito Schipa (Tenor) with Orchestra, Spanish Dance No. 3—Rondalla Aragonesa (Granados)—New Light Symphony Orchestra.

El Gaucho—Tango (Schipa)—Tito Schipa (Tenor) with Orch. Triana (Albeniz Orchestrated by Arbos)—New Light Symphony Orchestra.

1.00 Local Time Signal and Weather Report.

1.03 Excerpts from Gilbert and Sullivan.

"The Pirates of Penzance"—Overture—Light Opera Orchestra. The Mikado; Alone, and Yet—Alone—Bertha Lewis. On A Tree—Henry A. Lytton. There Is Beauty—Bertha Lewis and Henry A. Lytton. For He's Gone and Married—Yum-Yum—Alleen Davies, Henry A. Lytton, Derek Oldham, Felsie Griffin, Beatrice Eburn, Leo Sheffield, George Baker & Chorus.

"Patience"; Stay, We Implore you—Derek Oldham, Derek Oldham and George Baker. Oh, Fortune, To My Aching Heart—Be Kind—George Baker, Bertha Lewis, Winifred Lawson, Darrell Fancourt, M. Green, M. Eyre, Nellie Brercliffe. "Iolanthe"; Iolanthe From Thy Dark Edle—Bertha Lewis, Nellie Brercliffe and Chorus of Girls. Good Morrow, Good Mother—Leslie Rands and Chorus of Girls.

1.30 Reuter and Rugby Press, Weather Forecast and Announcements.

1.45 Dance Music by Jack Hylton and His Orchestra.

Quickstep—Chopsticks; Fox-Trot—Gypsy Tears. Quickstep—The Organ Grinder Grinds All Day; Waltz—All Through a Glass of Champagne (from "Lights Up"). Fox-Trot—Day after Day; There's A New Apple Tree. Slow Fox-Trot—I'll Remember; Quickstep—Lords of the Air.

2.15 Close down.

5.45 Indian Programme.

6.30 Closing Local Stock Quotations.

6.32 Elgar—Cockaigne Concert Overture, Op. 40.

The B.B.C. Symphony Orchestra conducted by Sir Edward Elgar.

6.47 Songs by Peter Dawson (Bass-Baritone).

The "Pretence Lads" O' Cheap (Baron & McCall); Wandering the King's Highway (Leslie Coward). The Floral Dance (Katie Miss); The Lute Player (Allitson).

7.00 London Relay—The News.

7.15 London Relay—Newsletter by O.M. Green.

7.30 Arthur Rabinovitch (Piano) playing some Chopin Mazurkas.

Mazurka in G Minor, Op.30, No.1; Mazurka in B Flat Major, Op.7, No.1; Mazurka in E Flat Major, Op.17, No.2; Mazurka in B Flat Major, Op.17, No.1; Mazurka in G Minor, Op.30, No.2; Mazurka in C Minor, Op.67, No.2 (Posthumous); Mazurka in C Major, Op.67, No.3 (Posthumous).

7.43 A Short Violin Recital by Joseph Szigeti.

Scene de la Czarda No. 3—Hungarian Gypsy Fantasy (Hubay); Dance Russe (from "Petrouchka"—Stravinsky); Norwegian Song—"Snow" (Sigurd Lie); Gavotte (from "Classical Symphony"—Prokofiev, Op.29 Sonata No.3 in D (Weber).

8.00 Local Time Signal, Weather Report and Announcements.

8.03 Billy Russell, Grace Fields and Vic Oliver in Variety.

On Behalf of the Working Classes (Billy Russell)—Billy Russell (Comedian) (an actual theatre recording). The Trek Song Walter, Walter (both from film "We're going to be rich"). Grace Fields (Comedienne) with Orchestra. Vic Oliver Goes Naughty (Oliver)—Vic Oliver (Comedian). Putting In—Vic Oliver versus Gloria Day.

8.30 London Relay—Theatreland.

9.00 London Relay—The News.

9.15 London Relay—Questions of the Hour.

9.30 Some of Ivor Novello's "Hits".

My Life Belongs to You (from "The Dancing Years")—Dunstan Hart and Mary Ellis with Ivor Novello (at the Piano) and Drury Lane Theatre Orchestra. The Leap Year Waltz Three Ballet Tunes (both from "The Dancing Years")—The Drury Lane Theatre Orchestra cond. by Ivor Novello. Haven

of Your Heart (from "Gret of the Wave")—Olive Gilbert (Contralto) with Orchestra, Rose of England (from "Gret of the Wave")—Edgar Elmes (Baritone) with Orch. & Male Chorus. Careless Rapture—Selection—Orchestra Raymonde with Vocal by Webster Booth and Angela Perselles. We'll Remember Keep The Home Fires Burning—Olive Gilbert (Contralto) with Orchestra and Chorus.

10.00 London Relay—Talk: "By the Way."

10.15 Harold Ramsay at the Organ. Popular Melodies Intro: Alone at a table for two; Alone; I'm all alone; You started me dreaming; The touch of your lips; Lost. More Popular Melodies Intro: I'll sing you a thousand love songs; There's a small hotel; Did your Mother come from Ireland; Pennies from Heaven; In the Chapel in the Moonlight; Another perfect night is ending.

10.28 Dance Music.

Fox-Trot—Cherry Smokey Mary—Bob Crosby & His Orchestra. Waltz—When Shall We Two Meet Again Slow Fox-Trot—Concert on Pavement—Mantovani & His Orchestra. Fox-Trot—Tony's Wife Mary Lou—Van Alexander & His Orchestra. Quickstep—Tigerfoot Boogie—A Nightingale Sang in Berkeley Square (from "New Faces")—Joe Loss & His Orchestra. Fox-Trot—Out of the Blues—Waltz—Memories Live Longer Than Dreams—Jack Payne & His Band.

11.00 Close down.

SHORT WAVE

DAVENTRY

Calls Wavelength
G.S.G. 17.790.0 (16.86m.)
G.S.B. 9.51m. (31.35m.)
G.S.H. 21.47m. (3197m.)
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NEWS IN ENGLISH

Transmission I—News Summary 4.00 p.m.
Full Bulletin 5.00 p.m.

Transmission V—News Summary 6.45 p.m.
Full Bulletin 7.00 p.m.
do. 9.00 p.m.
do. 12.00 mid-night

Trans. II & III—News Summary 7.30 a.m.
Full Bulletin 8.30 a.m.

"AN EVIL COMMON TO MANY SCHOOLS"

"Private tuition is an evil common not to one but to many schools in Ceylon," stated Mr. L. Mc D. Robison, the Director of Education, speaking from the chair at the prize-giving of the Princess of Wales' College held at Moratuwa.

Mrs. Robison distributed the prizes.

Among those present at the function were, Sir Wilfred de Soysa, Mr. C. H. Z. Fernando and Mr. E. L. F. de Soysa.

On arrival Mr. and Mrs. Robison were accorded a guard-of-honour by the College Girl Guides.

The proceedings commenced with the staging of a play entitled "Nix Nought Nothing."

Miss E. M. Roper, the Principal, in her report, said that the year was one of quiet progress for the school. Examination results were good. More time was allotted to Sinhalese and the girls were taking a real interest in their mother tongue.

NO REAL EDUCATION

She believed that there could be no real education unless a child had learnt to think for himself or herself.

"It is a source of great concern to me that so many girls rely on private tuition rather than on their own efforts. Indiscriminate private tuition sometimes has disastrous results; for two quite different methods of teaching often produce such confusion in the pupil's mind that no progress at all is made. When through continued absence there is much back work to be covered, then private tuition may be necessary, but the advice of the school should be sought beforehand."

Mr. Robison in his speech said that the Principal's report showed them the many-sided activities of the school and the policy of the Principal in the care of their girls. He congratulated the Principal and the staff on their good work.

Mr. C. H. Z. Fernando, the Chairman of the Trust Board, proposed a vote of thanks to the Chair.

CHUNGKING, Feb. 20 (Central)—Mr. H. Y. Moh, new Director of the Agricultural Credit Administration, assumed office yesterday. He succeeded Dr. Franklin T. Ho who has resigned.

KING'S

SHOWING TODAY At 2.30, 5.10, 7.15 & 9.30 p.m.



INVISIBLE... BUT INDELIBLE...
THE STRIPES THAT NONE
COULD SEE...
BUT ALL COULD FEEL!

GEORGE RAFT
JANE BRYAN WM. HOLDEN
"Invisible Stripes"

HUMPHREY BOGART-FLORA ROBSON
PAUL KELLY - HENRY O'NEILL - LEE PATRICK
Directed by LLOYD BACON - A WARNER BROS. First National Picture

ALSO MUSICAL SHORTS "SWING OPERA"

NEXT CHANGE "CALLING PHILO VANCE"
A Warner Bros Picture
JAMES STEPHENSON - MARGOT STEVENSON

ORIENTAL

4 SHOWS DAILY 2.30-5.15 7.15-9.30
2 DAYS ONLY TO-DAY • TO-MORROW •
FLEMING ROAD WANCHAI TEL. 28473

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Romance in the wilds of Africa among stampeding wild elephants, savage head-hunters and man-eating lions that will make your heart beat wild as a jungle drum.

YOU'LL THRILL TO THE CHARGE OF ROARING LIONS!



DOUGLAS FAIRBANKS, JR.
MADELINE CARROLL
with Tullio Carminati, Lynne Overman, Billy Gilbert.

SUN. : "DANGER ON WHEELS" A Speedway Classic.
MON. : "DANGER ON WHEELS" A Speedway Classic.
with Richard Arlen, Andy Divine, Peggy Moran.

MATINEES: 20c-30c • EVENINGS: 20c-30c-50c-70c

MAJESTIC

4 SHOWS DAILY 2.30-5.20 7.20-9.30
THEATRE
MATINEES: 20c-30c • EVENINGS: 20c-30c-50c-70c
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YOU'VE Never SEEN A DEANNA LIKE THIS!
Deanna DURBIN
Spring Parade
A Henry Koster Production with Robert Cummings, Mischa Auer, S. Z. Sakall, Samuel S. Hinds, Allyn Joslyn, Franklin Pangborn, BUTCH and BUDDY

Directed by HENRY KOSTER • Produced by JOE PASTERNAK
A UNIVERSAL PICTURE • Original Story by Ernst Marischka • Screenplay by BRUCE HANNING and FELIX JACKSON

• COMMENCING SUNDAY •
A Great Racing Picture, Thrilling With The Most Dangerous Steeplechase in America!
"MARYLAND"
DARRYL F. ZANUCK'S TECHNICOLOR PRODUCTION
A 20th Century-Fox Picture

CROSSWORD

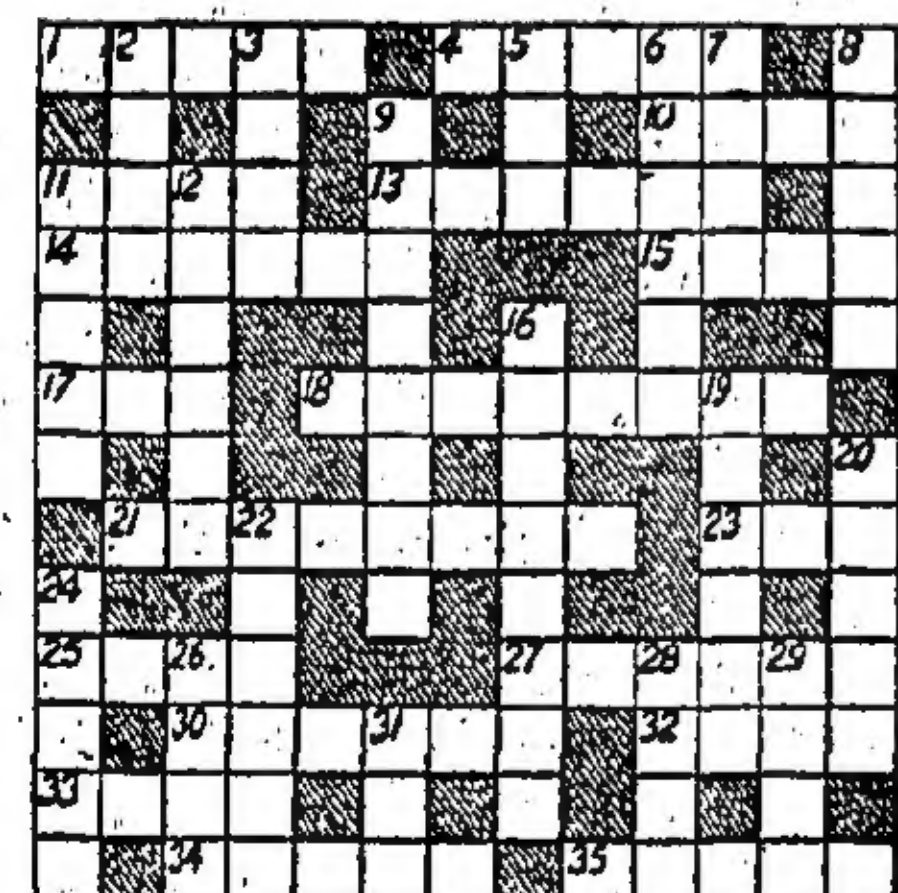
NO. 835

ACROSS

- 1 Custom
- 4 Ceases
- 10 Orient
- 11 Wan
- 13 Send
- 14 abroad
- 15 Meat pin
- 17 Imply
- 18 Allow
- 21 Note
- 23 Poem
- 25 Vien
- 27 Duty department
- 30 Fishes
- 32 Pain
- 33 Frustrate
- 34 Nymph
- 35 Jumps

DOWN

- 2 Drench
- 3 Increased



- 5 Summit
- 6 Allow
- 7 Gilt
- 8 Gem
- 9 Abandoned
- 11 Sacred song
- 12 Epistle
- 13 Dead
- 15 Amorous
- 16 Reception
- 17 Frankly
- 18 Crevice
- 19 Platform
- 20 Headland
- 21 Vessel
- 22 Cut

SOLUTION TOMORROW

Solution No. 834

ACROSS: 1, Mastication; 2, Drowsy; 9, Icicle; 10, Liar; 11, Nightcap; 13, Inter; 15, Adits; 18, Idleness; 19, Dogs; 20, Induce; 21, Abroad; 22, Mendelssohn

DOWN: 2, Arraigned; 3, Tower; 4, Crying; 6, Things; 6, Omitted; 7, Help; 12, Autograph; 14, Execute; 16, Defend; 17, Israel; 18, Iris; 19, Dares

ANGLO-SPANISH PARLEY OVER TANGIER STILL HANGING FIRE

SOVIET ISSUES AT STANDSTILL

LONDON, Feb. 20 (Reuter).—The Anglo-Spanish negotiations over Tangier are still hanging fire. The Under-Secretary, Mr. R. A. Butler, told questioners in the House of Commons that he regretted he was still not in a position to make a final statement.

GERMAN PLANES OVER GREECE

NEW MOVE IN WAR OF NERVES

BELGRADE, Feb. 20 (Reuter).—Reliable reports that German planes made reconnaissance flights over Greece on Tuesday are taken here to indicate that Herr Hitler is going forward with his nerve war in an attempt to force Greece to give up the struggle against Italy.

It now seems clear that he may try intimidation before risking a conflict by sending troops to the Greek frontier.

The German planes dropped no bombs and were not fired on by the Greeks.

It is not known whether they used Bulgarian or Rumanian bases.

NATIVE SYMPATHY FOR ALLIES

LONDON, Feb. 20 (Reuter).—Natives of Tanganyika, in the areas of Waiiki and Nguni, are determined to play their part along with other citizens of the Empire, in helping the London men and women rendered homeless through the "blitz."

They have donated respectively 90 and 125 head of cattle, to relieve the distress of the air-raid homeless.

Mr. Frederick Cocks (Lab.) asked whether the Spanish pledge that the neutrality of Tangier carried an assurance that Tangier is not to be used as a base for operations against French Morocco.

Mr. Butler, on behalf of Mr. Anthony Eden, Foreign Minister, refused to accept the implications which appeared in that query.

Mr. Geoffrey Mander (Lab.) asked: "What is holding up the settlement in view of the fact that many weeks, if not months ago, unilateral action was taken in abuse of British rights? Is it not time that we got some satisfaction?"

Mr. Butler said Mr. Mander's view was shared by the Government and added the Spanish Foreign Minister had been away from Madrid and that accounted partly for the delay.

Mr. Eden had already said the negotiations had been proceeding satisfactorily.

ANGLO-SOVIET PARLEY
No further progress in the Anglo-Soviet negotiations could be reported by the Government spokesman when questioned in the House of Commons.

Mr. R. A. Butler said that since his last answer some weeks ago matters had not been carried further by the Soviet Government.

Mr. Frederick Cocks (Lab.) argued that as there is so little difference between de jure and de facto recognition of the position in the former Baltic states such a small thing should not be allowed to interfere with the establishment of better relations between Britain and Russia.

LARGE ISSUES
Mr. Butler: "There is not only small but certain large issues involved in this question and I cannot take it further at present."

Mr. Butler did not reply to the supplementary question which implied, firstly, that Russia is terrified of Germany; and, secondly, that the British Ambassador to Moscow should be brought back to report to the secret session of the House of Commons.

CONVOY QUERY IN COMMONS

Nazi Claims Grossly Exaggerated

LONDON, Feb. 20 (Reuter).—Recent German claims to have inflicted heavy losses on a British convoy were dealt with in the House of Commons yesterday arising from a member's invitation to make a statement on the reported loss of 13 vessels and whether those vessels were under protection.

The First Lord of the Admiralty, Mr. A. V. Alexander, replied that it is not possible to answer such a question without assisting the enemy, and, in the meantime, the questioner should not assume that the reports broadcast by the enemy are correct.

Mr. Emanuel Shinwell (Lab.) asked whether it is not the case that a full report had appeared in the American press and a statement had also appeared that this very important convoy had no protection whatever.

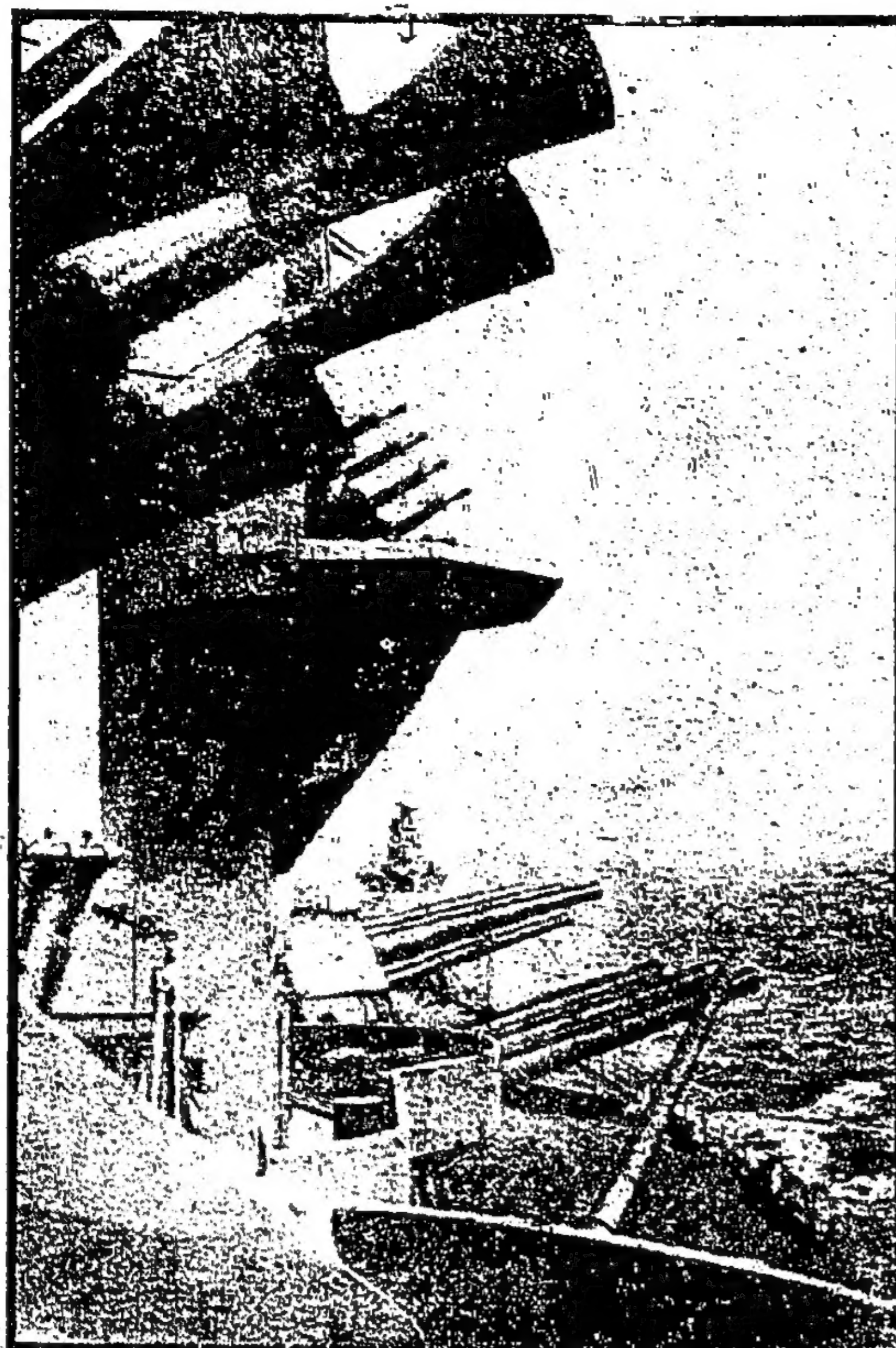
"Are these facts not well enough known to the enemy?" he asked.

Mr. Alexander replied: "Mr. Shinwell is in error in assuming the enemy's statement was correct. It is a statement I do not accept any more than I accepted the report in the case of a previous convoy in the Atlantic where the enemy claims were grossly exaggerated."

AUSTRALIA READY FOR EMERGENCY

MELBOURNE, Feb. 20 (Reuter).—The Government had taken additional precautions against a sudden emergency after reviewing Australia's defence system, said the Acting Prime Minister, Mr. A. W. Fadden, in a speech here yesterday.

No action would be taken and no word spoken, he said, which would shatter peace in the Pacific. "If war comes to our front door, it will not be of our choosing. Let nobody think that we are helpless and unfitted for such a supreme test."



Guns of various calibres bristle on the starboard side of this battleship. Towards the top of the picture are seen the muzzles of multiple machine-guns for anti-aircraft defence. Nine 16-inch guns, besides smaller armament, point seawards.

WHAT IS A COMMON GAMING HOUSE?

What constitutes a common gaming house was one of the points that came up for consideration at the Singapore High Court before the Acting Chief Justice A. K. A. Beckett Terrell, in the course of the hearing of the appeal against the decision of the acting Third Magistrate under the Gaming Enactment in which he convicted and sentenced a Chinese woman, Madam Wee Nyoia, to pay a fine of \$200 or, in default, four weeks' simple imprisonment on a charge of allowing her house to be used as a common gaming house.

It was alleged that the police raided the house of the appellant at Lorong Mydin where she lived with her husband and her father-in-law and four children on the afternoon of Nov. 18 and arrested nine Chinese women who were engaged in a game of "susey." They were charged before the acting Third Magistrate the following day, and on their pleading guilty to the charge of gaming, they were fined \$15 each.

The present appellant was charged that, as occupier of the house she allowed the house to be used as a common gaming house and, it was alleged that, on her pleading guilty to the charge, she was fined \$200 or, in default, four weeks' simple imprisonment.

Mr. Mark Morrison who argued the appeal pointed out that on the afternoon in question, the appellant was celebrating the birthday of her nephew and a number of women relatives and friends were present. The party was playing a game of "susey" which was described as a game of skill. The place was raided by the police and nine women were arrested. They were charged in the Third Magistrate's Court and on their pleading guilty they were fined \$15 with the alternative of one week's simple imprisonment. The present appellant was charged that as occupier of the house she allowed it to be used as a common gaming house.

NOT THE WIFE

Counsel submitted that as long as the woman was residing in the house with her husband, it was the husband who was the occupier of the house and not the wife. In support of his contention, counsel quoted a case where the judge had held the husband as the occupier of the house.

The appellant, counsel said, had admitted allowing her friends to gamble, adding that she did not receive any money from them. He submitted that the appellant had not actually pleaded guilty to the charge; she had merely admitted allowing her friends to gamble. The plea involved the interpretation of terms of a technical nature and the plea of the appellant was simply a plea of guilty of gambling.

Counsel submitted that there was no evidence to prove that the house was used as a common gaming house. The prosecution must prove habitual gaming in the house in order to bring it within the definition of a common gaming house. There was no such evidence and that being so, it could not be held that the woman had used it as a common gaming house.

JAPAN AS MEDIATOR

GOVT. STUDYING JAP. STATEMENT

LONDON, Feb. 20 (Reuter).—Reports of an impending Japanese effort to mediate in the war were strengthened by a statement by the Foreign Under-Secretary, Mr. R. A. Butler, in the House of Commons yesterday.

In reply to an invitation to make a statement on the Far Eastern situation, Mr. Butler referred to the recent increased tension over "certain events," notably over the dispute between Indo-China and Thailand, and added that "a Japanese spokesman made a statement to the press on Tuesday."

The Foreign Secretary has received from the Japanese Foreign Minister a special message in courteous terms and on the same general line as the statement just referred to.

The terms of this communication are at present receiving due attention.

CATEGORICAL REPLY

LONDON, Feb. 20 (Reuter).—"Britain will not entertain peace proposals until a complete victory has been gained," is the categorical reply of an authoritative quarter here commenting on the Japanese spokesman's statement that Japan is ready to mediate in any war if invited to do so.

The London authority points out that it is most interesting that the Japanese spokesman should feel called on to make such an offer adding, "The Japanese evidently do not appreciate the conditions in Europe brought about by a war started by their ally. As the British Premier emphasised over and over again, there can be no compromise."

DUTCH INDIES OIL AREAS

BATAVIA, Feb. 20 (Reuter).—The Netherlands East Indies Government has received a Japanese request to explore the oil areas of the Netherlands East Indies and indicated their willingness to specify certain areas which could be explored, according to a Japanese report.

The Dutch authorities, however, are reported to have signified their willingness on the condition that Dutch observers accompany the Japanese surveyors.

\$200 is to be returned to the appellant.

His lordship further pointed out that a plea of guilty to an offence which had not been committed was not a plea of guilty at all.

He also made an order calling for the record in the other case in which the nine women had been fined \$15 each for gaming.



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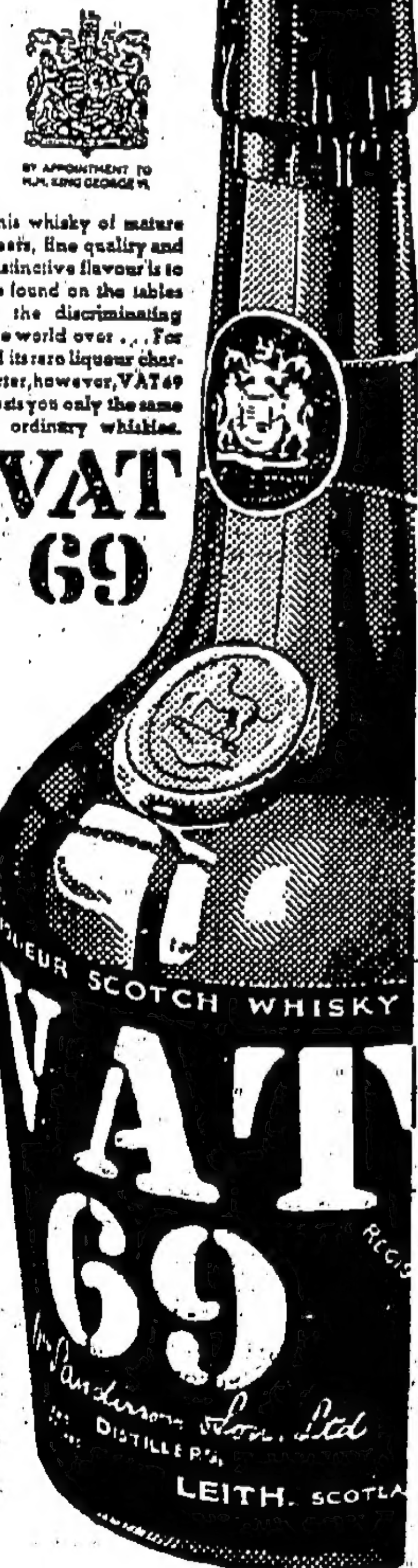
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WARM TRIBUTES PAID TO DR. LI SHU-FAN: COUNCILLOR RETIRES

DR. LI SHU-FAN, F.R.C.S., J.P., has retired from the Legislative Council of which he was a member since 1937. Tribute to Dr. Li was paid by Hon. Mr. N. L. Smith when presiding at the Legislative Council meeting yesterday.

Mr. Smith said: Since this Council last met we have lost the services of one of our Chinese representatives, Dr. Li Shu-fan, who has since January, 1937, been a valued member.

In all matters concerning the Colony's welfare, especially in the sphere of Public Health, Dr. Li has given his services without stint and I should not like his retirement from this Council to pass without expressing the gratitude of the Government and of the community for his valuable services.

HON. MR. M. K. LO
The Senior Chinese Unofficial Members (Hon. Mr. M. K. Lo) said: Sir—On behalf of my Chinese colleagues, as well as on my own behalf, I desire to associate ourselves with your tribute to Dr. Li Shu-fan.

As far as I know, Dr. Li's severance with this Council is an unique event in its history in that this is the first case in which a Chinese Member of this Council has been unable to accept a re-appointment for a second term of office for reasons of health.

On his return from his trip to Europe and America at the beginning of this year, he was warned by his medical advisors not to subject himself to the strain of excessive work, and his colleagues and friends know that it was only a compelling sense of public duty which induced him to persevere in his duties as a representative of the Chinese until the termination of his term of office.

SPIRIT OF CO-OPERATION
Those who have been privileged to work with him could not but be struck with his courtesy and spirit of co-operation, and I would like to tender to him an expression of gratitude for his kindness and assistance to me throughout the whole period of our collaboration.

Although we shall miss his presence in this Council, I am glad that Dr. Li's services, which his medical knowledge and wide experience render so valuable, will continue to be available to the Colony. In the name of the Chinese community I extend to him our best wishes for his future.

FUNERAL OF MRS. M. HEDLEY

The funeral took place at the Roman Catholic Cemetery yesterday afternoon of Mrs. Mary Hedley, who died at her residence, No. 3A Armand Buildings, Kowloon, on Tuesday, at the age of 53 years.

Mrs. Hedley is survived by her mother, husband, Mr. W. P. Hedley who recently retired from the Kowloon Docks after 32 years service, and a son, Mr. G. P. Hedley who is at present in Shanghai.

Fr. Granelli officiated at the services at the Chapel and at the graveside.

Messrs. A. W. Bliss, J. Fraser, G. Henderson, W. Houston, J. Mayer, and J. McKellar, were the pallbearers.

THOSE PRESENT
Among the large attendance were Messrs. E. Abramson, A. W. Bliss, L. Barkus, R. C. Craze, Dobson, W. F. Ford, J. Fraser, C. Hatt, G. Henderson, W. Houston, J. Mayer, J. McKellar, V. Ramsay, C. Stewart, and J. Whyte.

WREATHS SENT
A bunch of flowers from Mrs. J. Dobson was enclosed in the casket, while wreaths from Mother and Willie and George were interred with the coffin.

There was a profusion of wreaths from friends, among which were those from Mr. A. W. Bliss and Eileen, Mrs. J. C. Brown, Mr. and Mrs. E. Cock, Mr. and Mrs. H. G. Cooper, Mr. and Mrs. A. C. Craze, Mr. and Mrs. J. Dobson, Mr. and Mrs. A. L. Eastman, Mr. and Mrs. W. F. Ford, Mr. and Mrs. J. Fraser, Mr. and Mrs. W. Greig, Mr. and Mrs. S. Grey, Mr. and Mrs. G. Henderson, Mr. and Mrs. J. G. R. Humble, Mr. and Mrs. R. Lapsley and family, Mr. and Mrs. Lo Kon Kan, Mr. and Mrs. F. V. Searle, Mr. C. Stewart, Mr. H. Stewart, Kowloon Bowling Green Club, Kowloon Dock Recreation Club, Kowloon Football Club, and the Catholic Women's League.

Mr. M. Lokoomall, of No. 21 Robinson Road, has reported to the Police of the theft of a diamond set in platinum, valued at \$150, from his house on Wednesday.



DR. LI SHU-FAN

RESOLUTION ON DUTY ON LIGHT OILS

At the Legislative Council meeting yesterday, the Financial Secretary (Hon. Mr. H. R. Butters) moved three resolutions the first of which was—

The duty on light oils, that is on petrol, was increased, by His Excellency's order, to 80 cents per gallon on November 7, 1940. The object of the increase in petrol duty is, by reducing consumption, to conserve foreign exchange and save tankerage. It is not intended as a revenue producing measure.

I am authorised by His Excellency to state for the information of Honourable Members and as a warning to the public that if this measure fails in its primary object, namely, to reduce consumption, particularly in respect of private cars, the rationing of petrol may have to be introduced.

The increase in the duty on heavy oils to be used as fuel for heavy oil road vehicles from 30 to 40 cents per gallon and the imposition of a duty of 10 cents per gallon on other hydrocarbon oils hitherto untaxed, with effect in both cases from January 16, 1941, are, as indicated in my speech to this Council on that day, revenue producing measures.

The second resolution gave effect to the imposition of a duty on table waters which was announced in this Council on January 16, 1941, and which was put into immediate effect by His Excellency's order.

The third resolution gave effect to the increases in liquor duties which were announced in this Council on January 16, 1941, and which were put into immediate effect by His Excellency's order.

The Attorney General seconded and the resolutions were carried.

World-Wide Photographic Exhibition

AMBITIOUS SCHEME OF LOCAL BODY

The Photographic Society of Hongkong, having sponsored, for the last two years, two very successful All-China exhibitions of photography, has decided to extend the scope of this year's show. It will be known as the First China International Salon of Photography, and will be open to entrants from anywhere in the world.

It is hoped to attract some good work, and an exhibition of selected prints will be held in Hongkong from Dec. 1 to Dec. 7, 1941, inclusive. The closing date for the receipt of entries is Nov. 1, 1941.

Intending exhibitors are limited to not more than four prints per person, and the entrance fee for any number of prints up to four is 5s., \$1 Gold, or HK\$4.

Prints will be returned within a week of the closing of the exhibition, and entry forms may be received on application to the Hon. Salon Secretary, Room 117, Prince's Building, Hongkong.

AT LAST!

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RAINCOAT FOR MEN



FINE QUALITY SILK POPLIN, UNLINED, ABSOLUTELY RUBBERLESS, RAGLAN STYLE WITH PRUSSIAN COLLAR IN A SMART SHADE OF FAWN.

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LAMMERTS' AUCTIONS PUBLIC AUCTION.

THE Undersigned have received instructions

to sell by

PUBLIC AUCTION on

Friday, the 21st February, 1941 commencing at 2.30 p.m.

at their Sales Room, No. 35, Hankow Road, Kowloon.

A QUANTITY OF VALUABLE HOUSEHOLD FURNITURE

comprising:

Teakwood & Iron Bedsteads, Wardrobes, Chests of Drawers, Dressing Tables, Sideboards, Dining Tables, Chairs, Office Furniture, Electric Table Lamps, Fans and Heaters, E. P., Brass, Porcelain and Glass Ware, Wardrobe & Cabin Trunks, Carpets & Rugs, Cutlery, Curios, Ornaments, Pictures, Cooking Utensils, etc., etc.

also

A FEW PIECES OF BLACKWOOD FURNITURE

and

- 1 Adding Machine
- 1 "R.C.A." Radio-gram
- 1 Tentsin Carpet
- 1 Enamelled Bath
- 1 Porcelain Sink
- 1 Bathroom Scale
- 1 Dining Room Suite
- 2 Bed Room Suites

On View from Thursday, the 20th February, 1941.

Terms: Cash on Delivery

LAMMERT BROS. AUCTIONEERS.

PUBLIC AUCTION.

THE Undersigned have received instructions

to sell by

PUBLIC AUCTION on

Tuesday, the 25th February, 1941 commencing at 5.15 p.m.

at their Sales Room, No. 2, Connaught Road, Central (2nd Floor)

A VALUABLE COLLECTION OF POSTAGE STAMPS (mostly China & British Colonies)

Terms: Cash on Delivery.

LAMMERT BROS. AUCTIONEERS.

No Speaker At Y's Men's Club Tiffin

The Hongkong Y's Men's Club held as usual its weekly tiffin meeting at St. Francis Hotel yesterday. Mr. K. S. Kung, Vice-President of the Club, was in the Chair.

Owing to the absence of Prof. S. S. Lien, of Lingnan University, who was to have spoken on the subject, "America and the War," Mr. L. K. Chu was called upon to give a report on the progress of the Y.M.C.A. membership campaign.

Mr. P. L. Mow of the Shanghai Y's Men's Club was guest yesterday.

It is learned that a meeting of members of the board of directors will be held this evening at 7 p.m. at the Chinese Merchants Club.

SUMMARY COURT CLAIM

Ladies' Silk Pyjamas Subject Of Dispute

Twenty-four dozens of ladies' artificial silk pyjamas were the subject of a dispute at the Summary Court yesterday when an action claiming the sum of \$542 as money due for goods sold and delivered was brought before Mr. Justice E. H. Williams.

The plaintiff was the Kam Wah Garment Factory, of Nos. 187, 193 and 195 Pelho Street and the defendants of the suit were the Oriental United Company, of Feder Building, and G. Ho, the managing partner. Plaintiff was represented by Mr. D. McCallum while second defendant appeared in person in Court.

H. Millington, First Bailiff, testified that he served the writ on defendant who was pointed out to him as G. Ho.

DEFENCE EVIDENCE

Giving evidence, defendant said that he was engaged by a woman by the name of Matilda Tam to take charge of all the exports of the Oriental United Co. at \$60 a month. He started work in December, 1939 and the business was the export of underwear to South Africa.

Regarding the goods in the present action, defendant stated that as the goods were not up to sample he told plaintiff that he would not pay him as the buyers might reduce the original price, but plaintiff did not agree.

After over a month plaintiff came to see him and he showed plaintiff a cable from the buyers who wanted to reduce the price. Plaintiff refused this but agreed to accept 80 per cent of the value of the goods.

Further hearing was adjourned to March 4 at 9.15 a.m.

Mr. Yu Yui, of No. 151, Connaught Road West, picked up three \$10 notes inside his shop on Wednesday, and doing what he should do, he took them to the Police Station and handed them to the Police, according to a Police report.

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NEW ADVERTISEMENTS

NEW ADVERTISEMENTS

NOTICE.

Will all Jurors who have been summoned to attend at the Supreme Court on Monday next the 24th day of February, 1941, please note that their attendance is not required until 10 o'clock in the forenoon on Tuesday, the 25th day of February, 1941.

L. R. ANDREWES,
Registrar, Supreme Court.
Hong Kong.

BANK OF ENGLAND NOTES.

Travellers are again advised that the export of Bank of England notes from Hong Kong is prohibited, and the import of such notes from Hong Kong into the sterling area is similarly prohibited by the sterling area controls.

H. R. BUTTERS,
Financial Secretary.
20th February, 1941.

THE "STAR" FERRY COMPANY, LIMITED.

Notice to Shareholders.

NOTICE IS HEREBY GIVEN THAT THE FORTY-THIRD ORDINARY YEARLY MEETING OF THIS COMPANY will be held at the Office of Messrs. Jardine, Matheson & Co., Ltd., on Friday, the 28th February, 1941, at 11.00 a.m., for the purpose of receiving the Report of the Directors together with a Statement of Accounts for the year ended 31st December, 1940.

The Register of Shares of the Company will be CLOSED from Wednesday, the 19th February, 1941, to Friday, the 28th February, 1941, both days inclusive.

By Order of the Board of Directors.
C. M. MANNERS,
Secretary & Manager.
Hong Kong, 12th February, 1941.

HONGKONG REALTY AND TRUST COMPANY, LIMITED.

(Incorporated under the Companies Ordinances of Hong Kong)

NOTICE IS HEREBY GIVEN that the Ordinary Yearly Meeting of Shareholders of Hong Kong Realty and Trust Company, Limited, will be held at the Registered Office of the Company, Exchange Building (2nd Floor), Des Voeux Road Central, Hong Kong, on Wednesday, the 19th March, 1941, at 11.30 a.m., for the purpose of receiving a Statement of Accounts and the Report of the Board of Directors for the year ended on the 31st December, 1940, and re-electing two Directors and the Auditors.

The Transfer Books of the Company will be closed from Thursday, the 6th March, 1941, to Wednesday, the 19th March, 1941, both days inclusive.

By Order of the Board,
F. C. BARRY,
Secretary.
Hong Kong, 12th February 1941.

BANK HOLIDAY.

The Exchange Banks will open at 9.30 a.m. and will close at 12 noon for the transaction of Exchange business on Monday, the 24th February, 1941. (RACE MEETING).

Hong Kong, 20th February, 1941.

PUBLIC AUCTION.

PARTICULARS AND CONDITIONS of the Sale by Public Auction to be held on Monday, the 24th day of February, 1941, at 3 p.m., at the Offices of the Public Works Department, by Order of His Excellency the Governor of one Lot of Crown Land at Tai Kok Tsui, in the Colony of Hong Kong for a term of 75 years, with the option of renewal at a Crown Rent to be fixed by the Surveyor of His Majesty the KING, for one further term of 75 years.

Intending bidders are advised that immediately after the disposal of the lot the Purchaser (if not the applicant) will be required to deposit with an authorised officer who will be present at the sale, the sum of two hundred dollars, (\$200) in cash. This sum will be refunded on payment of the Purchase price.

PARTICULARS OF THE LOT

No. of Sale	Locality	Boundary Measurements	Contents in Square Feet	Annual Rental	Upset Price
1	Kowloon Island Lot No. 4928	As per site plan.	About 5,000	0.00	10,000

The purchaser of the lot will be required to pay to the Auctioneer in cash the sum of \$1000 (being 10% of the upset price) immediately after the fall of the hammer, the balance of the premium being paid in accordance with the Conditions of Sale.

PRINCE BERNHARD TRAINING AS PILOT

Prince Bernhard, of the Netherlands, has been training with the Royal Air Force to fly Spitfires and Hurricanes, states a London message.

He has been in training for some time and has now completed his solo flying and reached a high standard of efficiency. This does not mean that he is to join the R.A.F. or that he is to participate with the work of the Dutch pilots, but he had always expressed a keen desire to become a pilot. (Special)

GEN. WU TE-CHEN ENTERTAINS

A lunch party was given by General Wu Te-chen, Chinese Minister of Overseas Affairs, in honour of Mr. D. G. E. Middelburg, the Netherlands Consul-General, at noon yesterday.

Other guests present included Mr. A. H. Veltman, Mr. B. J. Israel, Mr. J. H. van der Laan, Mr. J. Ch. A. Gundersen, Prof. Wong Po-shang, Mr. K. O. Lee, Gen. M. A. Cohen, Mr. Lee Bing-shuey and Mr. Ernest Tong.

CONSCRIPTION IN MALTA

Conscription was introduced in Malta yesterday, states a London message.

The Governor has now been empowered to call up all men between the ages of 18 and 31 for the fighting services or for labour duty. (Special)

The Daily Press 報西刺打

Editorial and Business Office: 15-19, Queen's Road Central, Tel. 33225.
Night Editor (Wanchai Office): Tel. 24511.
London Office: 53, Fleet Street E.C.4.

HONGKONG, FEBRUARY 21, 1941.

MEDIATION OFFER BY INVADERS

JAPAN'S diplomatic strategy, which has already been thrown into a most lamentable state of confusion by the manner in which Britain and the United States have faced up to the developments in the Far East, has extended to fresh heights of absurdity by the news reporting an offer by the Japanese Government to "mediate in any war." The incongruity of Japan's position in even making such a suggestion has evidently not struck her statesmen in Tokyo, although the ludicrous spectacle of an aggressor nation, which is still engaged in a wanton invasion of the territory of a neighbouring power and which, at the same time, is making use of every political trick to further her plans for expansion in the South Seas, has not been lost on the rest of the world and must have produced even a quiet chuckle from the kennel-master in Berlin. There is already ample evidence of the real motives behind Japan's "mediation" in the dispute between Indo-China and Thailand and the fact is that both countries are now seriously concerned over the price they will have to pay for this so-called friendly interest. It is incredible, therefore, that Japan could expect Britain and her allies to regard her offer in good faith, particularly when, at this precise moment, Japanese forces are being moved from the east for further conquest.

UNDER this suave offer for mediation, however, it is possible to detect the plaintive voice of the Japanese people, who must be regarding what is happening with the greatest fear and trepidation, so far as it concerns their future. The mediation gesture may, therefore, be an effort on the part of the Japanese Government to make their people believe that those in authority are just as eager to avoid spreading the war to their shores and to placate the Japanese public by putting the onus for any clash in the Pacific on Britain and the United States. It may also be possible that even the Japanese militarists now realise that current developments in the Far East—the determined preparations being made by Britain to meet any attack on Singapore, as seen in the arrival for service in Malaya of a huge contingent of Australian troops, and the intention of the United States to swing her Battle Fleet into the Pacific to meet any offensive move by Japan—call for a little more discretion on their part, even if they are not prepared to abandon their southward expansion plans when they think the time is ripe for striking. Japan will, however, not be permitted to hesitate over long by Herr Hitler and, unless she is prepared to forsake her European partners altogether, she might find, as a writer in an American newspaper succinctly put it, "that her game of bluff has brought her to the edge of a precipice."

"MEET UNCLE SAM:"

FACTORS & FORCES WHICH HAVE INFLUENCED THE AMERICAN CHARACTER

"To understand anything about America, you must understand its newness. It is a new country, like Australia," said MR. EDWARD L. MORROW, leading American foreign correspondent, who has spent the last three years in Britain, when he opened a new series of talks in London yesterday entitled "Meet Uncle Sam." The purpose of these weekly talks will be to describe the life and development of the United States to people in other parts of the world.

Mr. Morrow started his talk yesterday by presenting what he described as his credentials, and declared that having spent the last few years in England he was trying to tell his countrymen what was happening there.

FACTORS & FORCES

The speakers who will follow him in the series would tell their listeners something of the history of America and the contributions that had been made to what was known as American civilisation. The idea was to make people understand some of the factors and forces which had influenced the American character.

Mr. Morrow proceeded to relate briefly the discovery of the Continent by Christopher Columbus, the adventure of Vasco da Gama, the Portuguese explorer, until the final arrival in that Continent of the English settlers. Among these were men like Nathaniel Bacon, who was responsible for the revolt against tyranny, Peter Zenger, who had fought for the freedom of the press, Andrew Hamilton who established that freedom, and Thomas Payne, whose pamphlets led on to the Declaration of Independence, which was eventually signed by a Swede, two Irishmen, a Czech, four Germans, five Welshmen, five Scottish-Irish, and 38 Englishmen.

As this motley crowd moved to the west there was the need for men and more men, and they were brought from Europe in cattle-boats. They poured out over Rocky Mountains, and down the slopes to the Pacific looking for land and gold and what they called elbow room.

These people were ahead of the law, continued Mr. Morrow. They made their own law—they built their own school—they worked hard and played hard.

THE CIVIL WAR

"In this midst of all these came the civil war," said Mr. Morrow, "and the status of the negroes is still one of the greatest problems."

WHATEVER REASONS prompted the Japanese Government to make this mediation proposal, what is well recognised is that, in the present circumstances, such a move cannot in any sense be regarded as a sign of peace and good neighbourliness. With the experience the western powers have had of Japanese policy, the offer must be included in the category of Nipponese strategy with an ulterior motive. This strategy may be compared—as indeed, it has been compared—with the stab in the back planned by Italy, in the hope of getting a share of the spoils at the least possible cost. Japan has seen how disastrously Italy has failed in this treacherous plan and, with the strengthened opposition which has now been drawn up against her, it is impossible that Japan can hope to succeed in similar intentions. Japan has every reason to be dissatisfied with the way events are developing for the Axis Powers in Europe and she is participating in a very big gamble if she still hopes that her European partners are in a position to win out. It is this fact that has created a strong suspicion that this new strategy of the Japanese may be intended to forestall their Nazi and Italian allies and to gain their own ends while pretending to fall in with Berlin's instructions. Which way Japan may try to operate this scheme, its defeat is certain.

which faces the nation, while violence and lawlessness still prevail to a certain extent."

Mr. Morrow dwelt for a moment on the American dispute with Mexico which resulted in the annexation of Texas, and California into American territory.

"This dispute," he said, "followed the modern pattern. An attack was first made on the Mexican Customs house, soldiers were landed, one Chinaman was accidentally killed, and then we negotiated on favourable terms to build the Panama Canal. Cuba and the Philippines next came into our possession."

"You must understand that all these happened in a very short space of time," said Mr. Morrow, who then went on to refer to the beginnings of mass production, the progress in education, and the march of industry.

Gradually the people imported British customs, and interest was aroused by English literature in the English language, and so it was that today the language of the Continent was recognised in most parts of the world as English with a difference.

MANY DIFFERENCES

"There are many differences between our people and our institution," said Mr. Morrow, "but I find that many of my British friends fail to give consideration to one aspect of the United States which is of supreme importance—and that is its geographical and economic difference. Sometimes when my English friends ask me why America does not do this or that I am tempted to reply 'which America, or which part of America.'"

"Mine is a curious country. It is big, busy, and boisterous. It is full of contradictions, there is great wealth and there is dire poverty. We are a nation of many races and creed which are not easy to understand, and the men who will be talking to you in this series will help you to understand the Western Hemisphere."

"I am going to have the opportunity during some of these talks to put questions to English experts about my own country. I expect to learn something about America, and some of them you will be hearing in this series."

"Perhaps there will be an opportunity for me, as an American, to disagree with these experts. I hope so."

6TH ROUND OF COLONY CHESS CHAMPIONSHIP

C. M. Sequeira beat D. E. de Carvalho in the sixth round of the Colony Chess Championship played at the Peninsula Hotel last night. Sequeira played the Reti opening, an irregular reply by Carvalho evolving into a king's fianchetto. Spectacular play by Sequeira late in the match, when he risked the temporary sacrifice of a rook, placed him in a strong attacking position and enabled him to win after 39 moves.

JUNIOR UPSETS

Two upsets marked the second round of the Colony Junior Chess Championship. R. C. Danenberg declined a sacrifice of a pawn by To Yu-lau in an Evans Gambit, and played through to a very well deserved win after a flawless game.

His opponent being ranked as one of the four strongest players in the Tournament, Danenberg scored a more spectacular win than did J. Grefalda, who pressed the Ponziani opening against W. Lee and lost a rook for a doubtful advantage of a passed pawn. Confident play aided by weak end game play on the part of Lee enabled Grefalda to extricate himself from a disadvantageous situation and he scored a splendid win.

The other two games in the Junior Tournament resulted in wins for A. Kurrik over A. Morton and for A. Y. Birkhoff over J. H. d'Almeida.

EVERY NEW SHIP IS OF VITAL NECESSITY TO PROSECUTION OF WAR

Launching Ceremony At The Kowloon Docks

A very large and distinguished gathering watched yesterday the launching of the M. V. HIN SANG, of 4,200 tons, the fourth ship built by the HONGKONG AND WHAMPOA DOCK COMPANY LIMITED in recent years for the Indo-China Steam Navigation Company.

The christening ceremony was performed by LADY GRAYBURN, wife of Sir Vandeleur Grayburn, Chief Manager of the Hongkong and Shanghai Banking Corporation.

The m.v. Hin Sang is a single-screw passenger and cargo vessel and was built for the timber trade. One of her first jobs, the HON. MR. STANLEY H. DODWELL said in proposing the toast of the vessel and her officers, and crew, would probably be collecting firewood for Hongkong.

Mr. S. H. Dodwell, Chairman of the Board of Directors of the Hongkong and Whampoa Dock Co., Ltd., said, in part:—

In normal times the Dock Company is always a little chary of asking its friends to make the journey to the Docks to take part in a ceremony similar to many which they have attended before.

MANY FRIENDS

But today, in the midst of a life and death struggle when every new ship is of vital necessity to the prosecution of the war, we have had no compunction about getting together as many of our friends as possible, so that their good wishes may join with ours in an effort to ensure for the "Hin Sang" a long and prosperous life.

If environment at birth can influence the offspring's future, then the Hin Sang should have the longest of lives. She is being built by one of the oldest companies in the Colony for another of our oldest companies.

The Dock Company in the past has been, I believe, one of Sir Vandeleur's favourite patients. Its well-being today is in no small measure due to the way he has staunchly stood by its bedside in bad times with unwavering faith in its powers of recuperation.

GRATEFUL PATIENT

Strangely enough we also have with us this evening one of Lady Grayburn's most grateful patients, a valued member of our staff who has had much to do with the

MACAO LAUNCH STOPPED BY JAPANESE

The steam launch, Chung Wah, of Macao registry, owned by the Mei Yuen Company of Macao, was stopped on its way from Kwong Hoi, Chinese territory, to Hongkong by a Japanese gunboat at a point a few miles south of Ho Pa Nan, on Feb. 1.

According to a report made to the Police by Leung Yau, 23, master, the launch was towing a lighter with a cargo of ducks, geese and firewood on board. Detaining the launch and lighter, the Japanese put the crew ashore 10 miles south of Macao. It was alleged that the launch flew the Portuguese flag.

SWEEP TICKET LOST

Ng Pit-sang, of No. 4, Zealand Terrace, reported that while on a tram about 3 p.m. yesterday he lost a wallet that contained \$220 in Chinese currency, \$40 in Hongkong currency and a sweep ticket.

FILM NIGHT

Four highly interesting and entertaining films were projected at St. Andrew's Church last evening when a Film Night was held.

Of the four films one was an amateur's remarkable achievement, showing the beautiful landscape and other interesting features in South Africa, while the other three were newswreals.

A total of \$177 was collected and contributed to the Bomber Fund.

THE WEATHER

Maximum temperature yesterday was 71 and the minimum 64. Total rainfall since Jan. 1 is 8.78 inches against an average of 2.44.

The Royal Observatory reports states:—

A weak anti-cyclonic area covers N. China, Mongolia and Manchuria. The depression is moving N.E. to the east of Tokyo. Pressure is moderately low over northern Indo-China.

building of this ship. Mr. Gray, our Engineer in charge of our machine shop, was recently nursed through a serious illness by Mary Meller—as Lady Grayburn, then was—and her staff at the War Memorial Nursing Home, and Lady Grayburn's bouquet this evening comes from him as a small token of his appreciation of the wonderful care and attention he received.

The Hin Sang is the fourth ship that we have built in recent years for our old friends the Indo-China Steam Navigation Company, and we are proud of the fact that the Diesel Engine we are building for her will be the largest yet constructed in the Colony.

I am very pleased to see Sir David Owen with us today. I believe that in the course of his investigations Sir David has been astonished to see so many names appearing on so many different Boards. The policy of having as many interests as possible represented on our various Boards—and particularly on our waterfront boards—has obtained for a very long time.

Mr. Dodwell then proposed the toast of the m.v. Hin Sang, her owners, the Indo-China Steam Navigation Company, her future officers and crew, and Lady Grayburn, her sponsor.

TOAST TO BUILDERS

The Hon. Mr. J. J. Paterson, replying in a short speech for the Indo-China Steam Navigation Company, proposed a toast to the builders of the vessel.

Mr. E. Cock, Chief Manager of the Hongkong and Whampoa Dock Co., Ltd., replied to Mr. Paterson's toast. Mr. Cock said, in part:—

I beg to thank Mr. Paterson for proposing the toast of the Dock Company and you Ladies and Gentlemen for so kindly accepting it. Our work in the building of this ship has been more difficult than in normal times but we have received the greatest help and consideration from the Indo-China Company and their Superintendents and I desire specially to thank Mr. Lawson for his wise and understanding co-operation.

Mr. Cock then presented Lady Grayburn with a diamond wristlet watch as a memento of the occasion.

Sir Vandeleur Grayburn, replying for Lady Grayburn, said that he would on behalf of his wife wish to express her thanks to those responsible who had chosen her to launch the good ship Hin Sang, which she considered a great honour.

Sir Vandeleur said also he would wish to add a word of welcome to Sir David Owen, whom he met for the first time some 30 years ago. Among the navy guests present at the launching and later at the reception were H. E. Major-General A. E. Grasett, D.S.O., M.C., and Commodore A. C. Collinson, R.N., and Members of the Legislative Council.

SHIPS DESCRIBED

The Hin Sang has a gross tonnage of about 4,200 tons, and her dimensions are 350 feet by 33 feet. She has been built to Lloyd's highest class and to conform the latest requirements of the Hongkong Government for a passenger vessel.

Cargo is handled through large hatches by eight steel tubular derricks, four of which are for a lift of 18 tons and four for a lift of 12 tons. All the deck machinery is electric driven and anchor cables are of the latest "Tayco" make.

The comfort of all classes of passengers has been carefully considered, and ample ventilation provided for all accommodation.

Insulated cold chambers of about 700 cubic feet capacity are fitted on the main deck and a "Frigidaire" refrigerating machine is installed in the engine room.

The propelling machinery consists of one six cylinder Two Cycle Diesel Motor developing 225 B.H.P. at 160 R.P.M. and capable of propelling the vessel at a service speed of 104 knots. Power for all Engine Room and Deck Auxiliaries is provided by three 85 K.W. diesel between electric generators.

Speeches By Unofficial Members At The Council Budget Debate

HON. MR. M. K. LO

SENIOR CHINESE UNOFFICIAL MEMBER EXAMINES FACTS OF THE WAR REVENUE ORDINANCE

Food Controller's Administration Has Not Inspired Confidence

Mr. President: I have very little to say on the Budget now before this Council, which represents the result of the deliberations of the Select Committee to which the Draft Estimates were referred.

It is a matter for regret that certain desirable items have had to be deleted from the Draft Estimates. But, in view of the budgetary position and the uncertainty of the immediate economic position, the Unofficials have deemed such exclusions wise in the circumstances.

I personally regret that, owing to the general financial situation, long-promised rebuilding of Queen's College has once more to be deferred.

My colleagues and I recently made representations to Government as to the imperative necessity of budgeting for a substantial amount in the then coming Estimates, to be allocated entirely to anti-tuberculosis measures and equipment. We felt strongly that much of the already heavy, though necessary, expenditure on the medical side would not be of much avail if the problem of tuberculosis, entailing such widespread illness, distress and mortality, were to be left untouched. Government has replied to the effect that it has been decided to defer a decision on this matter until the return to the Colony of Sir Geoffrey Northcote. I hope that before long something will be done in this regard.

AGRICULTURAL STATION

I must say I am glad Government has budgeted \$150,000.00 for the establishment of an experimental agricultural station in the New Territories, and I hope that the result of the experiment to be made in regard to the disposal of night-soil in the New Territories, for which \$60,000.00 has been budgeted, will prove satisfactory.

I observe that the actual revenue for 1938 exceeded the estimated revenue by nearly \$4 million; that the actual revenue for 1939 exceeded the estimated revenue by over \$4 million; and that the revised estimate of revenue for 15 months in respect of 1940/41 exceeded the original estimate by over 16 million. I can only hope that the current estimated revenue may happily prove to err in the same direction for the current year, so that funds may be available for so many important projects and social services.

In the Budget Debate held on the 9th November, 1939 I renewed, for the third successive year, a plea that Government might be kind enough to make a substantial grant for providing charitable and medical relief to the Chinese on account of the Sino-Japanese conflict. I am indeed happy that the Select Committee, with the unanimous approval of the Unofficial Members, has agreed to put in, under Head 5 Charitable Services, a donation of \$10,000 to the British Fund for the Relief of Distress in China, Hongkong and South China Branch. I feel sure, Sir, that this gesture will be very much appreciated by the Chinese, and my colleagues and I tender our sincere thanks to His Excellency.

TURBULENT TIMES

Sir, in the extremely able and lucid speech of my Honourable friend the Financial Secretary, in introducing the Budget, there were certain observations on the War Revenue Ordinance with which I must deal. But, before doing so, may I say how much impressed I have been by the way in which he has carried out his onerous duties as Financial Secretary during the difficult and turbulent times through which the Colony has passed since the departure of his distinguished predecessor? I venture to say that the frankness and candour with which he has always treated the Unofficial Members of this Council, and the courage, ability and devotion to the financial interests of the Colony, which characterise all his official actions,

have won their united confidence, admiration and respect.

Now, to return to the Honourable the Financial Secretary's observations.

The Honourable the Financial Secretary, in his Budget speech on the 16th January, 1941, quoted some remarks he had made when he introduced the War Revenue Bill in this Council in March of the preceding year. These remarks I can only describe as damning the Ordinance when faint praise. He proceeded to say that Government felt "in view of the change in the financial position, and the situation disclosed by the actual receipts from the four War Taxes that the principles on which the taxation was based should be reconsidered."

Now, what are the facts? After one of the bitterest controversies which the Colony has ever known, the Bill was introduced to this Council on the 14th March, 1940. The statements published from time to time in the Press as having been made by the War Revenue Department that the levying of the taxes was proceeding smoothly would appear to point to the gratifying fact that the hope expressed by the War Revenue Committee, and re-echoed in this Council, that there should be no attempt at evasion in view of the purpose for which the proceeds of the taxes were to be used, has been fulfilled.

ESTIMATED YIELD

Although the yield under this Ordinance was originally estimated to be six million, the revised estimated yield is nearly ten million (which, incidentally, is the amount of the estimated yield for the full Income Tax Bill), and this in spite of the fact that it is universally accepted that the yield of a tax of this kind can never be brought to full fruition during the first few years.

Personally I should have thought that such an unexpected and gratifying result of a measure which had received such striking unanimity of support in this Council would have merited an acknowledgment from Government more gracious and fitting than the strictures which the Honourable the Financial Secretary felt bound once more to pass on it.

The Honourable the Financial Secretary observed that far be it from him "to seek to resuscitate a controversy which is dead and buried." I am entirely with him in this attitude. But may I remind

Honourable Members of certain facts and circumstances in regard to the introduction of the War Revenue Ordinance?

On the 4th December, 1939 Mr. Cairne addressed a letter to each member of the Committee, in which he stated:—

"I enclose some 'suggestions' for a draft report of the Income Tax Committee. I am not circulating them as an official Committee document because they represent what I hope the Committee will be prepared to agree to rather than what has so far been agreed. In view, however, of my approaching departure I thought it might be helpful to put my own ideas on paper."

Let me, then, quote from certain relevant paragraphs of his report:—

"3. We examined a great many suggestions. . . . We rejected, either unanimously or by substantial majorities, by far the greater number of these proposals because they either did not fulfil the conditions laid down by our terms of reference or would yield revenue too small to justify their imposition."

4. The best alternative means of imposing taxation of approximately the same incidence as the proposed Income Tax, appeared to be a combination of taxes assessed on property, on salaries and analogous incomes and on business profits made in the Colony on bases and at rates calculated to impose very broadly the same degree of sacrifice on the several classes of persons affected. Such a combination of

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Hon. Mr. J. J. Paterson

BUDGET IS GOOD BUDGET

Mr. President: It is usual for the unofficial opening the debate to deal with those matters on which we are all agreed and in which no other member has any very special interest. This procedure this year leaves me little to say.

We have written His Excellency about the conduct of some of Government's affairs which we sadly feel to be bad. This will we hope be dealt with at another time; we do wonder how it is that, alone of all the Services and unlike the business world, no member of our local Heavenborn is ever dismissed for inefficiency. Perhaps the answer is that none is ever inefficient.

The budget is a good budget and on behalf of all the unofficials I would like to thank our Financial Secretary for the very great care he has taken of the Colony's finances.

NIGHT SOIL

We have suggested the postponement of various works which we believe can very well keep until later and these have been agreed to. I think the result lies on the table. There is one item however which still remains open, the collection of night soil by Government at a cost of \$24,000 for coolies only, we firmly believe supervision can be given to the existing arrangement until we can see more clearly what the future holds for us.

The necessity for Evacuation is at last apparent; I feel that some part of all three parties to it behaved badly. The Colonial Government which failed completely to make proper arrangements ahead of the event, some of the evacuees who continue to complain I think unduly of hardships which when viewed in the bomb-light of Coventry are little enough, and the Home Government when it failed to enforce laws laid down and allowed non-co-operation to succeed. A Trinity of incomprehensibility which reminds me of St. Athanasius, his creed.

HON. MR. S. H. DODWELL

COLONY RIDICULOUSLY LIGHTLY TAXED COMPARED TO ENGLAND

Mr. President: Amendments to the Budget recommended by the Select Committee and agreed to by His Excellency have considerably reduced the deficit originally foreshadowed by my Honourable friend the Financial Secretary.

Everyone must regret the need for the pruning that has taken place, and must also admit that we lag behind lamentably in the matter of social services. The leeway must be made up as soon

as possible, but surely it is nothing less than lunacy to spend large sums on elaborate hospitals and police stations on the surface of the ground while at the same time we are building a network of air raid shelter tunnels under it.

I am very glad indeed that the Government have agreed to include an extra \$100,000 for the University, of which the revenue has been so badly reduced by the fall in the value of the Chinese National Dollar that it can barely carry on in a manner befitting the Colony. Our prestige is at stake, and it seems to me we should either run the University efficiently, or not at all.

My Honourable friend the Financial Secretary considers it inevitable that we increase our War Taxation and favour an Income Tax rather than an increase in the present War Revenue Ordinance rates. Except as regards the Salary Tax, I am not affected by our local taxation, my Company being registered at Home. My views therefore are perhaps suspect. In comparison with Home taxation the Colony is of course ridiculously lightly taxed. At the same time, I am not in favour of increasing taxation on the low level incomes. Married men with salaries around say \$10,000 per annum are I know finding it increasingly difficult to make ends meet. Cost of living statistics show a very substantial rise and those young married men with evacuated families and two households to maintain, should receive greater consideration in the allowances for wives and children, provided they pay their evacuation maintenance expenses themselves. I am also strongly in favour of exempting charitable contributions from taxation. This is done at Home and, if it isn't, done here our charities will surely suffer.

UNFORTUNATE OPPOSITION

I am convinced that a change

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HON. MR. LI TSE-FONG

DRAWING UPON SURPLUS TO FINANCE PUBLIC WORKS NOT CONDUCTIVE TO CAREFUL BUDGETING

Provision For New Subsidy Code For Vernacular Schools Welcomed

Your Excellency, The Honourable the Financial Secretary in his speech on the 16th January 1941 reviewing the financial position of the Colony stressed the point that although the revised estimate anticipates a surplus of \$17,213,670 at the end of the present financial year, this surplus is largely a nominal one.

The financial Secretary explained that out of this surplus of over \$17,000,000, a sum of \$5,790,000 was invested in the 1934-Dollar loan, while by the end of next year a total of over 4 million dollars will have been advanced in anticipation of a future loan. Granting that this statement is correct, it does not alter the fact that the estimated surplus of this Colony's assets over its liabilities, at the end of March 1941 will be well over \$17,000,000 although it may not consist entirely of cash.

According to the financial statement published by Government on the 5th February 1941, the Colony's actual surplus at the end of October, 1940 was more than \$21,000,000 of which a sum of over \$18,000,000 was classified as cash and advances. This represents a very high ratio in relation to the amount of revenue from ordinary sources.

OPEN TO CRITICISM

If this Colony were a corporation I would certainly congratulate those in charge of its affairs on its very strong financial position. But as a Government it is open to criticism. It may be criticised that either it has failed to carry out and develop fully its social functions or it has taken more revenue than was necessary from the people by way of taxation. I submit, Sir, that this practice of keeping

a surplus was a method adopted by Governments during the Middle Ages and has long been considered as bad financial policy.

It is well established in practical financial administration that surplus financing encourages extravagance and that there is no necessity whatever for a state to keep a surplus.

I mention this not because I wish to suggest that the estimated deficit for the next financial year should be met by drawing on this surplus as I hope that there will be no necessity to do so. But I believe that this policy of accumulating surplus is fundamentally wrong. I admit that the existence of a large surplus gives a certain degree of convenience to the administration because it has at its disposal what one may call a special fund from which it can draw for the purpose of financing public works.

However, I venture to say that this practice of drawing upon the surplus to finance public works does not conduce to good financial organization and careful budgeting. With a surplus to fall back there is a possible temptation on the part of the administration in presenting its annual budget to the legislature, to withhold complete statement of its needs for fear that its estimates may be cut down. Another possible abuse in the use of the surplus is that the administration may be spending public money first, before coming to the legislative body for approval.

PROPER TIME

It may be said in favour of this policy that the object of maintaining a surplus is to have a reserve in case of emergency. If that was the intention, I think the present moment is the proper time to make use of such surplus. A portion of it may be set aside for the cost of the proposed building of two ships to be presented to the Admiralty and War Department and the remainder can be used for carrying on defensive works in the Colony. If Government were to agree to this course, there would be no deficit in next year's budget and no necessity to curtail its social services. Indeed, all social services can be further expanded with revenue coming in from ordinary sources.

It is evident from the operation of the War Revenue Ordinance that the taxable ability of the community is extremely good as well as extremely flexible. I submit, Sir, that this ability and flexibility of our taxation system constitute the real reserve of our financial resources.

HON. MR. W. N. T. TAM

"Tse-Fa" Lotteries Fast Becoming An Open Scandal

Low Prices For Rice And Firewood Are Essential

Your Excellency, in his speech introducing the Draft Estimates for the ensuing fiscal year, the Hon. Financial Secretary stressed the advisability of steering a middle course between ultra-conservatism and radical change. With this "golden mean of practicality," it is difficult to disagree; but while the Hon. Financial Secretary has adopted this praiseworthy policy in deciding what matters his Budget should cover, he would follow no such middle course when it comes to estimating Revenue and Expenditure.

In his estimates of our income ultra-conservatism is observable while as regards expenditure, he

exhibits the quintessence of pessimism. In his anxiety to be on the safe side, he has included the under-expenditure for one year. Items which are meant to provide for a longer period and at the same time he has managed to put away hidden reserves.

I do not propose to go into great detail here, as the points in justification of my statement have already been raised by my colleagues and myself on the Select Committee to which the Draft Estimates were referred. I venture to give two examples.

The Hon. Financial Secretary, in his Revised Estimates for the

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ancial power which has stood the test of time remarkably well.

I will now pass on to make some general remarks on the estimates for the next financial year. The figures in the estimates have been carefully considered and closely scrutinized by the Select Committee of this Council and I will confine my remarks to the general policy in connection with them.

Before I offer my views I wish to state that I am in general agreement with the remarks made by my Senior Chinese Colleague in regard to the War Revenue Ordinance, and Death Duties, and his criticism on the working of the Food Control Department and the Immigration Department.

THREE ALTERNATIVES

Among the proposals for increasing taxation for the purpose of raising further revenue, the Financial Secretary has suggested three alternatives which are briefly as follows:—

- (1) To increase the existing rates under the present War Revenue Ordinance.
- (2) To amend the present War Revenue Ordinance.
- (3) To impose a "proper" Income Tax.

I do not intend to deal with these suggestions to-day but I wish to state that, as far as revenue is concerned, the operation of the War Revenue Ordinance appears to be highly satisfactory.

I gather from the Financial Secretary that he is quite satisfied with the yield of the Property-tax, the Salaries Tax and the Corporation Tax. Indeed Corporation Tax alone is expected to bring in no less than \$5,500,000 against an estimated return of \$6,000,000 from the four taxes imposed by the War Revenue Ordinance. As far as I can see the Financial Secretary's main disappointment is in connection with the smallness in the return of the Profit Tax, which is expected to produce a revenue of \$600,000 only. It should, however, be remembered that the War Revenue Ordinance has only been in operation for less than a year and that a tax of this nature generally takes some time before it can be effective.

SMALL SHOP KEEPERS

It is quite true that businesses include all non-corporation firms and professional men but it must not be overlooked that the majority of these non-corporation firms consists mainly of small shopkeepers whose capital, as a rule, is small. If there were obvious evasion and unfair incidence, I venture to think that the remedy is to amend the War Revenue Ordinance.

Your Excellency has already re-constituted the War Revenue Committee in order that the Committee may re-examine and advise Government on the existing measures of war taxation in the light of the Colony's present financial position and the actual receipts from the four taxes imposed by the War Revenue Ordinance. It is the task of this Committee to find some practical solution and to give Government advice as to the best means of raising revenue to meet War expenditure under prevailing conditions. I will therefore abstain from making further comments.

With regard to the provisions for the daily collection of nightsoil to be undertaken by Government I understand that such provisions would not be carried out if there were no sign of any improvement in the Colony's finance. I do not think that it is quite correct to say that the Urban Council, of which I am a member, has definitely suggested to Government to put an increase of one per cent on rates in order to meet expenditures on this undertaking.

As a matter of fact when this matter was brought up for consideration, the question of finance had not been discussed. I consider that it is not fair to place the entire burden on property owners without regard to the fact that some of the tenements have water

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HON. MR. LEO D'ALMADA

Lamentable Lack Of Tact In Handling Of Evacuation

Immigration Department Complaints On All Sides

From the point of view of a Kowloon resident, there is much in this Budget that is gratifying. There is generous provision for resurfacing our roads, work which is long overdue; a new public mortuary and disinfecting station is budgeted for; the promise of a police station for Kowloon Tong raises a hope that that district and the Prince Edward Road area will enjoy some measure of police protection in the near future; and an agricultural station in the New Territories shows that here again Government is at last paying some heed to those who have constantly advocated the development of our resources for food production.

It is regrettable that the Unofficials in Select Committee have thought it expedient in the light of the present situation, and of the Colony's finances to curtail to some extent the proposed public works expenditure both on the mainland and in Hongkong, but the majority will agree that in so doing the Committee has followed the dictates of commonsense and prudence.

This is all I have to say on the Budget.

Our annual Budget debate, however, has long been regarded as the proper occasion for the ventilation of grievances, and

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STEPS TAKEN FOR IMPORTATION OF FIREWOOD

Continued from Page 7

taxes would constitute a partial income tax, covering much the greater part of the income which would be liable to a full income tax but freed of many complications owing to its being partial in scope and only approximately adjusted to individual ability to pay. In particular much of the enquiry into personal circumstances which is apprehended from the administration of income tax should be avoided."

"6. It is if anything more difficult to assess the probable annual yield of these taxes than that of an income tax, but the estimate of Mr. S. Calne, then Financial Secretary, was as follows:—

Corp. Profits Tax)	
Business	\$3,000,000
Salaries Tax	\$1,000,000
Property Tax	\$2,000,000
	\$6,000,000

ENTIRELY EXEMPTED

In comparing this with the estimate of \$10,000,000 from a full income tax it should be remembered that

- (a) Income subject to United Kingdom Income Tax is almost entirely exempted under the new Bill. Several important companies are thus outside its scope altogether.
- (b) Profits tax will be applied only to profits made in Hong Kong, whereas income tax would have been applied to all profits of resident persons, including companies registered here, wherever made.
- (c) Other income, from abroad will not be taxed at all under the new Bill.

It was, however, repeatedly emphasized by the official representatives on the Committee that Government was not seeking to raise any particular sum of money but to impose a reasonable burden of taxation and we consider that the rates of tax proposed do impose such a reasonable burden."

"8. We therefore recommend that Government should proceed with measures on the lines of the attached Bill. If the revenue obtained is inadequate consideration should be given to the adoption of some or all of the items referred to at the beginning of paragraph 4;..... In a note prepared by Mr. Calne on 'Principal differences between the 'War Revenue Bill' and the 'Income Tax Bill' he states:—

"1. General. An Income Tax seeks to tax every source of each individual's income and to make allowances for his family responsibilities and other individual circumstances. Although much may be collected at the source it is ultimately an individual tax and may entail much enquiry into personal affairs.

The new Bill proposes to take each of the main classes of income separately and tax them at rates adjusted only approximately to capacity to pay. At some sacrifice of the refinements of an income tax it thus avoids many problems which arise in the administration of those refinements and removes some of the features of income tax which are objectionable to the public."

COMPROMISE MEASURE

Such, Sir, were the views of Mr. Calne. He had made it plain that he was in favour of a straight income tax measure. But he himself was the author of the Ordinance now in force, and he put it forth as a compromise measure without any trace of reluctance, and certainly without any misgivings as to there being any inequity in its incidence.

The Honourable the Financial Secretary said: "Although the War Revenue Ordinance has secured considerably more revenue than was anticipated it has failed to secure enough to meet the revised war expenditure either in the current year or in 1941/42."

Pausing here I should like to point out that the position he now takes up is fundamentally opposite to that taken up by Government hitherto. As I pointed out in this Council on the 14th March, 1940, His Excellency Sir Geoffrey Northcote, in his speech in this Council on November 16th, 1939, made it quite clear that Government did not determine to raise a war budget revenue in any pre-determined sum: in other words, the Government's attitude was that as regards war expenditure, that expenditure was to be limited to the sum obtainable by the War Revenue Ordinance, and not that the Colony had to find a specified amount.

The Financial Secretary points out that according to the revised estimate, salary tax will bring in \$1,000,000, as was anticipated; property tax \$2,300,000, as against \$2,000,000, as was anticipated; whilst corporation and business tax should bring in \$8,400,000, as against \$3,000,000, anticipated. But he adds, as regards the latter item: "This figure includes not less than \$5,500,000 in respect of corporation profits and only \$900,000 in respect of business profits, which is disappointingly small."

CORPORATION PROFITS

Sir, this is the whole case for suggesting that the principles on which taxation is based should be reconsidered. I can see no ground for surprise that the business profits tax should yield something just under one million, as against the unexpectedly larger yield of corporation profits. Mr. Calne never attempted anything more than a guess of the combined yield of the corporation and business profits tax, for the simple reason that there were no accurate data available. Nor can I see how the yield of the taxes as above indicated can afford any evidence that the incidence is not spread fairly over the community. It may well be that, in order to produce more revenue, some alterations will have to be made in the Ordinance. As I do not wish to anticipate in any way the findings of the Committee which His Excellency has constituted I abstain from further comment.

I regret that I now come to a point of serious criticism against the administration of the War Revenue Ordinance. In the Report of Mr. Calne, to which I have referred, he made it quite plain that "Partnerships will be assessed as a whole and no enquiry whatever will be necessary into the division of profits between partners". The Honourable the Financial Secretary himself, in introducing this Bill in March 1940, said:

"The third and fourth taxes are respectively a corporation profits tax..... and a business profits tax on profits made in the Colony..... which is levied on the business and not on individual persons so that no enquiry as to the ownership of the business and the division of the profits is involved. There is, in the circumstances, no deduction in respect of personal and family allowances....."

In spite of the history of this matter, and of the official declarations to which I have referred, I am sorry to have to state openly in this Council that examiners have sought to get Chinese firms to disclose the names of the partners constituting the firms. I should have thought it impossible that any Government official would proceed counter to one of the fundamental bases of the taxation, and I look to the Honourable the Financial Secretary, as the Commissioner under the War Revenue Ordinance, to see to it that his subordinate officers do carry out completely the spirit of the framers of the legislation, in accordance with the solemn declarations of Government.

The Honourable the Financial Secretary has intimated that Government proposes to increase the Death Duties. I appreciate that Honourable Members will have an opportunity of discussing this question when the necessary amending Bill is before this Council. But in the meantime I wish to make a few general observations.

The Report of the Taxation Committee published as Sessional Paper No. 2/1939 contained the following observation on the question of Death Duties:—

"Any further revenue under this head should be obtained by an increase in the rates of Estate Duty rather than by the introduction of other methods of taxing property on death, e.g. Legacy or Succession Duties; but we consider the present rates, which were fairly recently increased to a maximum of 20%, high enough in the circumstances of Hong Kong, where the much higher rates prevailing in, e.g., the United Kingdom, would add greatly to the incentive to evasion."

That report was dated 5th April, 1939, and I am not aware of circumstances which have arisen between then and now which render that deliberate expression of view no longer sound.

EFFECTIVELY STOPPED

As to how far evasion of death duties exists I do not feel competent to speak. But of this I am quite certain. If evasion could be prevented by zeal and vigilance, it would have been effectively stop-

ped by now, because I can imagine no one possessing greater zeal, and exercising greater vigilance, than the present holder of the office of Superintendent of Inland Revenue and Estate Duty Commissioner, for whom, if he will allow me to say so, I hold a high regard. Indeed, I go further and say that it is the deliberate view of the legal profession as a whole that the zeal and vigilance exhibited by this conscientious officer have been so excessive in many cases as to occasion unjustifiable delay, inconvenience and expense to bona fide applicants for legal representation.

The powers conferred on the Estate Duty Commissioner for investigating every estate are necessarily wide. But I suggest that in wielding such great powers regard should be had to the presence or absence of grounds for suspicion of evasion of duty, and that under normal circumstances the Estate Duty Commissioner should not attempt to reopen and resuscitate matters adjudicated upon a long time ago.

It should be well known to Government that family inheritance has always constituted a very important part of Chinese family life, and I do submit that excessive rates of levy, undue delay in obtaining legal representation, and harsh administration of the Estate Duty Ordinance, all constitute great incentive to evasion.

Sir, the Unofficial Members of this Council, as well as the Chinese Members of Councils, have had occasion to make various representations to Government on certain aspects of Government Administration during the past year. Pending their final outcome I feel it my duty to make a few general observations.

FOOD CONTROL

To begin with I wish to say a few words on the question of Food Control.

The task of a Food Controller is obviously one of very great difficulty, and due allowance must be made for the fact that many things would have to be done in a hurry. I submit that the indispensable qualification of any Food Controller must be some commercial knowledge and experience, and, however well qualified in the theory of economics and conscientious in the discharge of his duties, the present Food Controller has had no commercial experience. The record of his administration has not inspired confidence that in an emergency all will be well as regards the question of food supply, and I record in this Council my grave doubt as to his ability in turning over certain reserve food stocks—though the quantities purchased are infinitesimal to the quantities originally proposed—without very serious losses arising.

We know that the Food Controller has now delegated his powers in regard to rice to a business man more conversant with the subject.

I come now to the question of Firewood.

I understand that Government has at long last taken, or is taking, definite steps for the importation of firewood into the Colony. The Chinese Members of Councils have urged Government to take such a step even before His Excellency Sir Geoffrey Northcote left the Colony on leave. On August 3rd, 1940 a memorandum on this question was sent in to Government, wherein it was urged that Government should requisition steamers for the purpose of importing firewood into Hong Kong. I feel that the Chinese community has every reason to be dissatisfied with Government's inactivity, over such a lengthy period, in relieving the acute shortage of firewood, which has caused so much hardship to the community, especially the poor.

GRAVE DISSATISFACTION

Another matter, Sir, which has given rise to grave dissatisfaction, is the administration of the Immigration Ordinance. When I spoke in this Council on the Second Reading of the Bill I thought that the effect of this measure on the Colony depended very largely on how it would be administered by the Immigration Officer, and I then stated that my colleagues and I intended to maintain a close interest in the operation of this measure, and that we should have no hesitation in making to Government any representations which we might consider it our duty so to do.

I know that the Immigration Officer has not spared himself in the discharge of his very difficult duties. But I do say that whatever may be the explanation the Chinese community cannot be ex-

HON. MR. LEO D'ALMADA

Continued from Page 7

complaints, and of these I have a few.

I do not know what Government feels about its last twelve months' administration in this Colony. In my opinion, apart from revenue, there is little room for complacency, much less for congratulation.

THREE MATTERS

I will mention only three matters as to which Government has laid itself open to criticism.

First, a very late start was made to provide air raid shelters. Next, a most lamentable lack of tact was displayed in the handling of evacuation. Government has already been severely censured for this by the public, and I mention it here only because it should be included in any debate which involves the review of the past year's policy and activities. Some months ago, it was deemed advisable to establish a depart-

ment for the control of immigration. Here again, it appears to have been thought necessary to lay emphasis on race distinction, for, if I remember rightly, in advertising for immigration officers Government made it clear that these posts were open only to British subjects of pure European descent. Now, Sir, this might possibly have been excusable if these were positions of comparative importance or of a specialised nature, but this is not so. Immigration officers have been recruited from every walk of life, and the fact that they are paid only \$400.00 a month is another indication that the job is not one calling for any alleged superiority of blood or intelligence. More than once have I advocated that Government should draw no invidious and totally unnecessary distinctions in engaging its employees. But I suppose the policy is so ingrained that only where it is impracticable to pursue it will Government reluctantly adopt another.

FAR FROM TRUE

If this constant discrimination were productive of something of value, for example, it made for a high standard of efficiency, there might be something to be said for it. This, however, is far from true, as Government knows from complaints in regard to administration brought to its attention by Unofficials and through other sources. My honourable friend, Mr. M. K. Lo has already dealt with the inefficiency and inactivity to be met with in the Immigration Department. Complaints with regard to it are heard on all sides. Government's excuse so far as inefficiency is concerned will doubtless be the plea that this is a newly created department with a heavy volume of work to cope with. Whether this is a valid excuse can only be ascertained on inquiry; and it is no answer to the charge of inactivity. Complaints of a more serious nature have been made against this and other departments and I do not think I am exaggerating when I say that if more is not heard, it is because the people of Hongkong are so flustered to the many failings of Government that they have come to regard them almost as part and parcel of the system, to be borne with resignation.

CRITICAL PERIODS
His Excellency assumed the administration of this Colony during a period which is one of the most critical periods of the British Empire. It is not surprising that the difficulty of the situation should have its repercussions on the Colony. The Chinese community gratefully appreciates his concern and labour for the well-being and security of the Colony, as exemplified by his initiative in providing the population with air raid shelters, in the construction of which he had taken such a keen personal interest. Since his arrival in the Colony the Chinese Members of Councils have had to make numerous representations to His Excellency, and on their behalf, and also on my own, I desire to tender to His Excellency an expression of our deep gratitude for the sympathetic manner in which he had invariably received those representations, and his ever-ready desire to give effect to them as far as possible.

May I, Sir, also tender our thanks to the Honourable the Colonial Secretary for the invaluable courtesy which he has shown to the Unofficial Members. My colleagues and I desire to pay warm tribute to him for the conspicuous ability which he has shown as His Excellency's chief adviser, which is such a well known characteristic of our esteemed Colonial Secretary.

LAWLESSNESS IN COLONY

My colleagues on this Council desire me to state that they wish to associate themselves with the tributes I have paid, and the views I have expressed. In due course Honourable Mr. Tam will speak on the question of removal of night-soil and the prevailing lawlessness and insecurity of the Colony, and Honourable Mr. Li will speak on primary education, and I desire to express my concurrence with their views on these subjects.

Fully realising the true character of the struggle now being waged by Britain and her Empire, the Chinese in the Colony have willingly and, indeed, enthusiastically co-operated with Government in all measures which Government has deemed it necessary to carry out in furthering Britain's war effort, whether by responding to the calls made for service in the Volunteer Corps, Police Reserve, A.R.P., Fire Auxiliary Service, St. John, etc., etc., or in other directions. In view of their deeds I trust, Sir, that it is not necessary for me to pledge to you once more the willing continuance of that co-operation.

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flush systems. I wish to point out that this responsibility of daily collection of night-soil, if undertaken by Government, is a service rendered to a particular class of the community and that class should pay for it.

My Chinese colleague, the Hon. Mr. Tam, has spoken very fully on this subject. While I agree that the scheme sponsored by the Urban Council is an improvement, I feel that unless Government is in a position to carry out that scheme in full, the alternative method mentioned by Mr. Tam in dealing with the existing system appears to be a practical one.

NEW SUBSIDY CODE

In the matter of education I welcome the provision for a new subsidy code for vernacular schools which makes generous provisions for subsidies to schools on the basis of approved expenditures on salaries of teachers and rent of school buildings. As a member of the Board of Education I firmly believe that in the educational system of this Colony it is Chinese primary education which urgently needs development. At the present time the development of Chinese primary education is left almost entirely in the hands of private enterprises and I do not think that a satisfactory system can be achieved without Government taking a leading part in its development.

OVER-CAREFUL

There is perhaps one other reason why one does not hear more. The Press is the usual vent for public feeling, but newspapers being subject to our very strict laws of libel, to the misfortune of the public in such a case as this, are not unreasonably careful, sometimes over-careful, as to what they publish. Sir, were these laws relaxed, and were there any assurance that the airing of complaints and charges which were not mere groundless and wicked rumours would result in something being done, the correspondence columns of our dailies would be full of the most interesting disclosures and revelations. As things are, one cannot expect this, but today there are few people in Hongkong who either do not know or have not heard reports of matters which have already reached even Government's remote ears, and which cry for investigation. Stories are circulating regarding the maladministration in departments whose importance is vital at the present time; it is the common belief that bribery and graft are rife; and the head of a department has been credited with practice of nepotism in its ugliest form.

Such a state of affairs one has grown accustomed to associate with some Latin or Balkan States, with what justification I care not. That it should be permitted to exist in the Government of a British Colony is surely matter calling for the most searching inquiry. I suggest, Sir, that Government emulate the dictators in one regard, and take measures to purge its ranks.

BILLS READ

The first reading of a Bill to amend the Medical Registration Ordinance, 1935, and a Bill to amend the Hongkong Corps of Air Raid Wardens Ordinance, 1940, and the second and third readings of a Bill to amend the Places of Public Entertainment Regulation Ordinance, 1919, and a Bill to amend the Entertainment Tax Ordinance, 1930, were moved by the Attorney General at the meeting of the Legislative Council yesterday.

The Financial Secretary (Hon. Mr. H. R. Butters) seconded.

Governor Meets With Slight Accident

HIS EXCELLENCY THE ACTING GOVERNOR, LT.-GEN. E. F. NORTON, C.B., D.S.O., M.C., was unable to preside at the Budget meeting of the Legislative Council yesterday morning as the result of a slight injury sustained when walking in the country on Wednesday evening.

In accordance with Article XXII of the Royal Instructions, the Colonial Secretary (HON. MR. N. L. SMITH, C.M.G.) was appointed to preside at the meeting.

Addressing the Members, Mr. Smith said: I regret to announce that His Excellency the Officer Administering the Government when walking in the country yesterday evening sustained a slight injury which prevents him from presiding today. I am sure that I may express, on behalf of this Council, our deep sympathy and our hopes for a very early recovery.

HON. MR. J. J. PATERSON

(Senior Unofficial Member): On behalf of the community, Sir, may I say how sorry we are to hear that this accident should have happened to His Excellency and we wish him a speedy recovery.

FELL INTO NULLAH

His Excellency was out walking with Maj.-Gen. A. E. Grasett in the neighbourhood of Wongmel-chung Gap when he slipped and fell into a nullah, struck his head and sustained concussion.

"His Excellency has been ordered absolute quiet for 48 hours and no engagements before Monday, Feb. 24.

Hon. Mr. Li Tse-fong

Continued from Page 7

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On the question of Food Control, I wish to urge Government to pay its closest attention to the recent rise in the cost of living in the Colony particularly rice and firewood. These are the two daily necessities of the Chinese Community. The rise in the prices of these two commodities is a serious matter for the Chinese, particularly the middle and poor classes, and I consider that Government should take vigorous measures to combat this evil. With regard to rice I know that measures had been taken and are being taken by Government to check the abnormal rise in the price of this commodity at the end of 1940.

While I recognise that such measures have, to a certain extent, met with some success, I feel that Government should now review the whole situation carefully with the object to secure an effective control over the rice stock in the Colony both in regard to quality as well as quantity. There has been a report that some of the stock are of such a poor quality that they are not fit for human consumption.

The position of firewood in the domestic life of the Chinese community is second in importance to that of rice. The situation has gone from bad to worse during the last few months. This might have been caused by seasonal demands such as the Chinese New Year but I have no doubt that it has been aggravated by the activities of unscrupulous profiteers. It has been proved that the cost of firewood imported into Hongkong including freight and all landing charges is far below the prevailing market price demanded by exorbitant dealers. I understand that Government are now taking measures to relieve the present situation and I believe that such measures will meet with success.

FOREIGN CURRENCY
Before I resume my seat I wish to say how regrettable it is that we have found it necessary to cut down a good deal of Public Works. Extraordinary not so much as a desire to balance the budget but as an effort to conserve, although in a very small way, the much needed foreign currency and tonnage for the successful prosecution of the War. I realise that the tendency to-day is for Government to play a more pronounced part in the social and economic life of the community and to shoulder increased responsibilities and additional duties.

I hope that with the return of peace it would be possible for this Colony to go forward with such increased responsibilities and additional duties.

When this measure of immigration control was brought before this Council for consideration last November, the Government assured us that "the Immigration Department is to be administered in the interest of passengers and all shipping generally and not to cause any obstruction or inconvenience that can be possibly avoided." In spite of this assurance there have been many com-

COLONIAL SECRETARY REPLIES TO THE DEBATE

Continued from Page 1.

Lighthouse Tender has been excised. It has also been decided not to proceed during the coming financial year with the building of the proposed new block of offices and quarters at the Central Police Station, though a token vote of \$50,000 remains in the draft estimates to cover any expenditure that may have been incurred in the preparatory work of drawing up plans, etc. Similarly the Select Committee felt that the times are not sufficiently propitious and the plans not sufficiently matured to permit the building of the proposed new Infectious Diseases Hospital at the Kowloon Medical Centre.

The Budget Committee realises that this hospital is recommended in the Technical Hospitalization Committee's report, 1938-1939, as the first major item in a long-term programme but it feels that, apart from difficulties of providing the necessary building materials, this is not the time or place to embark immediately on this hospital. The sum of \$100,000 has however been provided which is larger than the usual "token vote" in case it may be possible in the coming year to make a start.

EMERGENCY STORES

The provision of funds for the equipment of this hospital has been omitted as it is felt that, apart from the uncertainty which surrounds the hospital itself, there are at least hopes of considerable emergency stores being available during the coming financial year. Under Charitable Services provision has been made for a grant of \$10,000 to the British Fund for the Relief of Distress in China and under Miscellaneous Services, in response to pressing representations from the University Authorities, the annual grant to the University of Hongkong has been increased by the sum of \$100,000.

The Select Committee also brought under review the matter of the institution, at a cost of over four lakhs, of a system of night-school removal by labour directly employed by the Sanitary Department. As it is impossible, in present circumstances, to proceed with the complete scheme as recommended by the Health Authorities considerable doubt was expressed as to whether the benefits to be gained by the substitution of coolies employed by Government for the existing free-lance coolies would be commensurate with the expenditure involved. It was decided, however, that the provision for the emoluments of the 2,000 coolies should be allowed to stand in the draft estimates on the understanding that no actual expenditure will be incurred without the specific approval of the Finance Committee after further consideration of the whole matter. There was insufficient time, when this item came up for consideration, to reach a final decision on this important question and the Finance Committee desires an early opportunity of a full discussion with the Health Authorities, upon which will depend the question of authorising actual expenditure.

ADDED AND OMITTED

The following are the items which have been added:—

Head 5, Charitable Services.
Sub-head 23, Grant to British Fund for the Relief of Distress in China ... \$ 10,000
Head 17, Miscellaneous Services.
Sub-head 24, University of Hong Kong ... \$100,000
(Increased from \$355,000 to \$455,000) ... \$110,000

The following are the items which have been omitted or reduced:—

Head 11A, Harbour Department.
Sub-head 1, Personal Emoluments, Crew for New Lighthouse ... \$ 3,471
Sub-head 21, New Lighthouse Tender ... \$ 800,000
Head 16, Medical Department.
Sub-head 68, Equipment for new Infectious Diseases Hospital ... \$ 103,590
Head 30, Public Works Extraordinary.
Sub-head 5, Central Police Station—New Block (Reduced from \$800,000 to \$50,000) ... \$ 750,000
Sub-head 26, Infectious Diseases Hospital (Reduced from \$500,000 to \$100,000) ... \$ 400,000
\$1,857,061

Turning to the other side of the picture, the new or additional duties on table waters, hydrocarbon oils and liquor which were imposed with effect from 16th Janu-

ary have necessitated a revision of the estimate of revenue: revenue from Duties will, it is now estimated, amount to \$15,690,000 instead of \$13,740,000.

The estimated deficit of \$7,553,776 shown in the draft estimates as presented on 16th January is thus reduced to \$3,856,715.

INDEPENDENT SANCTION

Lastly, I would remind Honourable Members that every item of Special Expenditure in all departments and every item of Public Works Extraordinary requires the independent sanction of Government apart from the general provision offered by the Appropriation Bill. Should revenue fall short of expectations or should expenditure at present unforeseen be incurred that sanction will be withheld.

Besides thanking, on behalf of the Government and, I think I may say the whole Colony, the Unofficial Members for the time and labour which they gave to the preparation of the estimates in their revised form, I should like to express my particular gratitude to the Financial Secretary and to his assistant, Mr. Todd. I am very conscious of my own shortcomings in this respect but I feel sure that Honourable Members will appreciate that, during the past few months it has been physically impossible to devote the time and attention that are normally expected of a Colonial Secretary in framing the financial policy for the coming year.

I hereby move that the Estimates of Expenditure for the year 1941-42 as now presented be approved.

Hon. Mr. T. E. Pearce

The few remarks I have to make merely re-echo those of my colleagues.

When addressing this Council on last year's Budget, I strongly advocated postponement of a number of big projects until more normal conditions prevailed and the outlook was less obscure. I therefore wholeheartedly endorse the remarks of the Hon. Mr. S. H. Dodwell and the Hon. Mr. A. L. Shields in their expressions of satisfaction that a number of such items have been shelved for the time being, and the expenditure involved, deleted, from this year's Budget. I am certain the Unofficial Members of this Council will give generous support to these postponed schemes, and any others which will be for the benefit of the Colony when normality returns and the Colony can afford the expenditures.

With regard to the Special War Budget, whilst it has been extremely satisfactory to find the sum raised last year approximates 9½ Millions, against the original estimate of 6 Millions, I share the disappointment expressed by the Financial Secretary that the Business Profits Tax did not bring in to that total more than 9 lakhs. I believe this source can bear more of the burden, and feel the percentage and limits for taxation can be amended.

PRESENT SCALE

I express the hope the Committee which is to review the whole question of Taxation will not otherwise change the present scale or disturb the organisation which has dealt with and collected the Tax up to date.

I wish, Sir, to associate myself with the remarks made by my colleagues in regard to the lack of administrative ability and slackness displayed by several Heads of important Government departments.

I express the hope that independent Committees of enquiry will soon be instituted to make close scrutiny into the running of these departments, and that these enquiries will be the means of correcting the grievances we are complaining of, though I have doubts whether there can be permanent satisfaction, until the present system in the Services, which seems to discourage initiative and ability, comes to an end.

Hon. Mr. H. R. Butters

Mr. President, May I preface my reply by thanking the senior Unofficial Members, European and Chinese for their generous remarks regarding myself and express my gratitude to all Members of Finance Committee for their co-operation while I have been Financial Secretary. I would add parenthetically for the information of the Honourable Mr. M. K. Lo that

the point he raised in connexion with the War Revenue Ordinance regarding Chinese partnerships has already been taken up by me with the Commissioner of War Taxation.

Sir, I shall confine myself to the financial aspects of certain criticism which has today been made by the Honourable Unofficial Members. That criticism has been directed mainly, not to the details of the estimates of expenditure as now presented, but to the picture of the revenue position and to the proposals to improve it. I have never viewed the expenditure programme as ideal, but I submit it is necessary. It omits many items which are desirable.

No one who has not attended meetings of the Estimates Committee, which deals with departmental schemes, can realise how many are these omissions and how great the sacrifices made. I think there is general agreement as to the details now included.

HOW TO FINANCE

It is the problem of how to finance the expenditure for next year which finds us divided, not Unofficials from Officials, but even Honourable Unofficial Members among themselves. In spite of what I stated in connexion with the general reserve balance, or so-called surplus balances, at the last meeting of this Council, the Honourable Mr. Li Tse-fong proposes that we should have recourse to this balance to finance war expenditure next year, and he adds the interesting theoretical argument that a balance is a medieval survival which a modern state has no need to keep.

It may be possible in a totalitarian economy to dispense with a balance as it is possible to dispense with normal banking for currency, but this Colony does not possess a self-contained economy and is largely an entrepot for China and its prosperity depends to a large extent, I submit, on the soundness and orthodoxy of its finances and the confidence they inspire both locally and in China. I stated at the last meeting that our real balance was about 7 million dollars. I exaggerate.

The reserve balance of this Colony as I have informed Honourable Members on a previous occasion is "traced with a trust" in so far as the compulsory contributions of Government officers to the Widows' and Orphans' Pensions Scheme have been paid to revenue and no fund has been established to meet the outgoings which Government has undertaken to pay.

EXCEEDED EXPENDITURE

So far income in this connexion has exceeded expenditure, but the position is not satisfactory though it cannot be said without actual investigation how many million dollars should be earmarked for this fund, but I am afraid the position is that the reserves with which the Honourable Mr. Li Tse-fong wishes to meet next year's extraordinary commitments do not morally exist, though they can to a certain extent be made available in an emergency.

I agree with him that balances may properly be used to meet an emergency, but only a financial emergency and there is none such at present, and I decline to treat next year's budget, though including large defence expenditure, as an emergency and not mainly a normal budget. But if we have no balance to draw on to meet unforeseen expenditure how are we to carry on? The experience of the recent loan is a warning that we cannot borrow at least at a reasonable rate of interest. Incidentally the Hon. Mr. Tam has misinterpreted my remarks in that connexion. I deplored nothing. I stated that Government took up so much. In fact it decided on that amount before the issue, as the prospectus indicates and was not left with that amount in its hands, but the fact remains that there was little public response.

BOOM OR DEPRESSION

In my experience this Colony never enjoys a prolonged period of financial normality with a steady and reasonably predictable income. It is either enjoying a boom or suffering from a depression. At present I submit it is having a boom, and in spite of the high cost of living a great number of people in this Colony are enjoying unprecedented prosperity. Even the large local expenditure on defence has served to pump consumers purchasing power into the pockets of many and stimulated trade. If at any

time this Colony is able to meet its expenditure, even swollen by our defence requirements, it is now, and that expenditure should be met so far as possible, and I submit that means entirely, from current revenue.

The revenue calculations for next year are based on the continuation of the present prosperity of the Colony and in the present world situation I submit that represents a certain degree of optimism. Several Members have reminded us that of recent years actual revenue has exceeded the estimate and, therefore, "should continue to do so, and that we should be satisfied with thinking that all will be well and that everything from the revenue point of view will automatically turn out satisfactorily. One Member has gone so far as to accuse me of conservatism, caution and pessimism.

PESSIMISM NOT RELIEVED

If by pessimism he means endeavouring to foresee and obviate difficulties, I confess I am pessimistic and nothing that I have heard in the speeches of Honourable Members today has relieved my pessimism. It is said that I have sought to build up hidden reserves and have written off expenditure incurred on food reserves. I only wish I had more hidden reserves to confess to. The expenditure on food reserves has not been written off, though it is not possible to estimate how much of it will be recovered, and we are at present dealing with the expenditure for next year.

If these reserves have to be maintained throughout the year there is bound to be a loss in turnover and replacement whatever eventual sum may find its way to revenue. And to charge the cost to expenditure instead of opening a suspense account is the proper way to maintain control in the hands of the legislature.

It has been alleged that by these devices and on the pretext of an unbalanced budget I have raised the bogey of Income Tax. I do not propose to discuss that matter, which can well be left to the reconstituted War Revenue Committee, but it is my duty to point out as the Honourable Mr. Dodwell has stated that this Colony is ridiculously lightly taxed in comparison with Home, and in my opinion it must have balances, and adequate balances, not only to meet an emergency but to even out the fat and the lean years if any planned development is to be undertaken.

WELFARE SCHEME

In this connexion I would state that Sir Geoffrey Northcote, shortly before he departed on leave, instructed me to prepare a programme for this Colony in connexion with the Colonial Development and Welfare Scheme, which I have failed to do. I have spent considerable time on the problems and the more I investigated the greater they appeared and the necessity for elaborate planning embracing harbour development, town planning and slum clearance, agriculture and fisheries health and education became increasingly apparent.

All that we have been able to do has been to include, with the approval of all Members of this Council, provision for the Fisheries Research Station and the Experimental Agricultural Station in the New Territories in next year's estimates to be met from Colonial funds. That is only a small portion of what is required. It may be said that such development is not practical politics at the present time. That may be so but the budget was framed as I stated already to make due provision for defence and social services.

OPPRESSIVE TAXATION

There is no oppressive taxation in Hongkong at this time, and I submit that none of the new taxation proposed is oppressive and that this Colony ought to be able to provide from its current revenue all the expenditure included in these estimates and even additional expenditure if necessary.

I appeal to Honourable Members not to spend the meagre reserves inherited from the past nor to seek an overdraft on the future, but to endeavour to meet current expenditure from current revenue, bearing in mind that the purpose of that expenditure is largely defence and social services, or, if I may otherwise express it, the preservation and promotion of our civilisation.

Hon. Mr. N. L. Smith

Gentlemen, I have listened with great interest to the speeches of Honourable Unofficial Members both on the subject of the 1941-42 Budget and on other subjects which are of general concern to the community and which are very properly raised in this annual debate. The Financial Secretary has replied to the financial points raised by Honourable Members and it remains for me, in closing the debate, to refer to the more important of the other questions which have been touched upon.

There are three major administrative questions that have come in for considerable criticism, not only in today's debate but in the discussions which preceded this meeting and, to some extent, in the correspondence columns of the local press, namely Immigration, Food Control and Firewood Control. I am authorised by His Excellency the Acting Governor to state that he has yesterday, with the consent of the Executive Council, decided to appoint a strong Commission, the composition of which will be announced without delay, to enquire into various allegations which have recently been made against the Immigration Officer and his staff.

With this in view it would be improper for me to discuss the matter in this Council, but I should like to assure Honourable Members that in the last few days Mr. Forrest has been provided not only with additional accommodation but also with another capable administrative assistant. I will not say more except to state that the foundations of the department were, in the opinion of the Government, laid on the best lines advised by an expert from Malaya; and also that the urgency of starting the Immigration Department was constantly pressed upon Mr. Forrest in spite of his requests for more time for preparation.

FOOD CONTROL SCRUTINY

As regards Food Control, also, today's debate comes at a somewhat inopportune moment as the whole organisation of this important defence department has been in the last week under very active scrutiny. An announcement on this subject will be made at an early date.

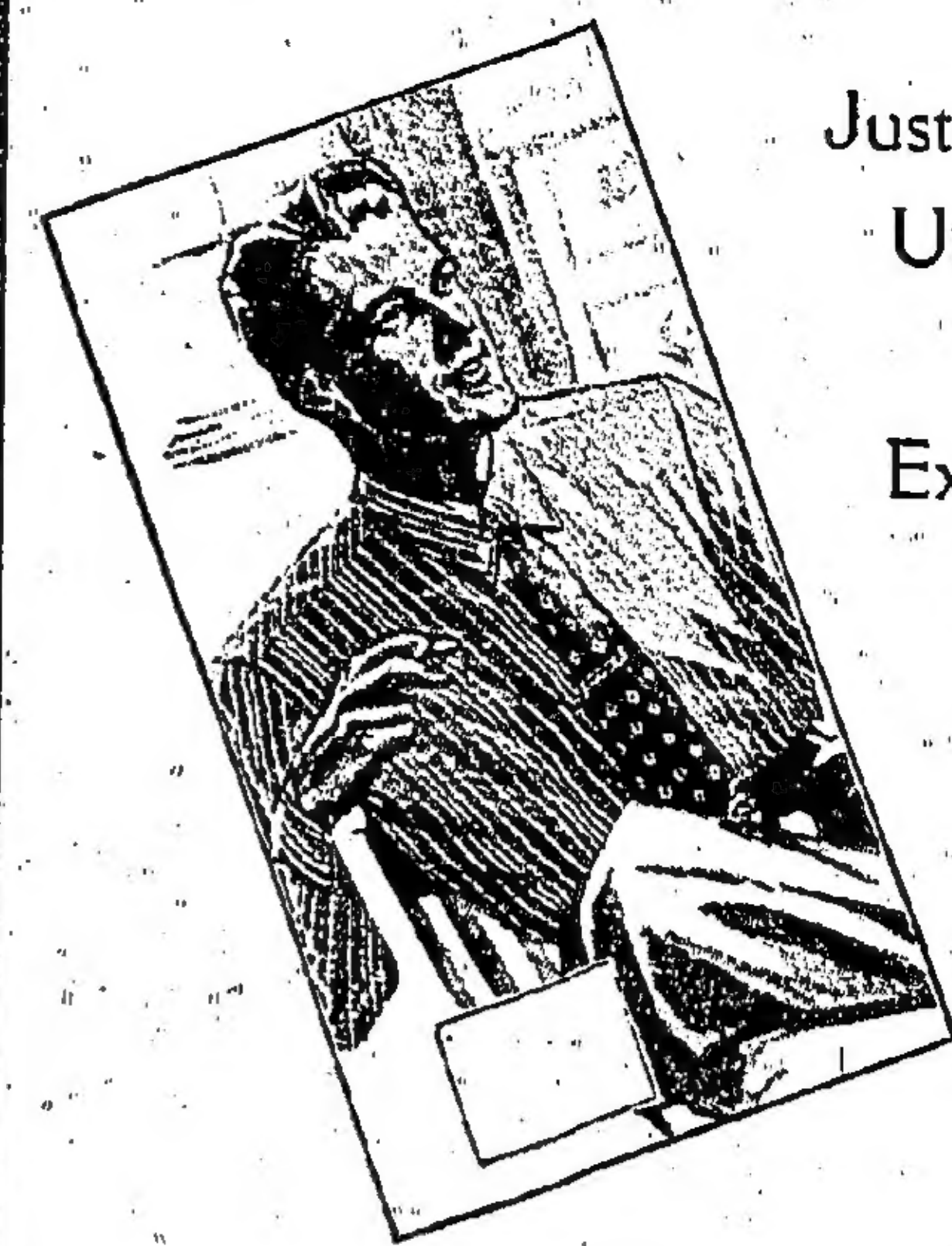
The price of firewood and the conservation of adequate reserves for defence purposes has for long been the concern of this Government, which sent, a month or so ago, a special representative to enquire into this vital necessity in Manila, Borneo and Malaya. The first shipment of Government purchased firewood from Sandakan may shortly be expected and it is hoped that this and subsequent consignments will go some distance towards a solution of this difficult problem.

The Honourable Mr. Tam has remarked on the present lawlessness in the Colony and this is only too apparent from accounts that come from various sources. Such a state of affairs is hardly unexpected at a time when Hongkong is as overcrowded as ever and when so great a part of that surplus population comprises the paupers, and so the potential criminals, of the neighbouring parts of South China. Banishment plus a rigorous enforcement of the Immigration Ordinance are the most obvious remedies; but I think it is also to be noted that in existing circumstances of military precautions he calls on the Police Force are so great that some diminution in their normal duties of preventing crime is hardly unexpected.

INVOLABLE POSITION

The Honourable Mr. Paterson and the Honourable Mr. Dodwell have both remarked on the ill effects, especially noticeable in times of crisis, of the apparently inviolable position enjoyed by Government servants and the difficulties which lie in the way of discarding the inefficient. Unfortunately, perhaps, fortunately for the officers concerned, neither the Government nor this Council has an entirely free hand in this matter, as was explained in the 1939 Budget (1939 Hansard, p.225), as the rules under which all Government servants above a certain rank are governed in all matters of discipline, salary, increments and the like are universal throughout the Colonial Empire.

Another point raised by the Honourable Mr. Dodwell has also been the subject of earlier discussion in this Council, namely, his attempted comparison be-



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EVACUATION ORDER A PRECAUTION

BANGKOK, Feb. 20 (Reuter)—The British authorities in Thailand have merely suggested to British subjects the desirability of arranging for their wives and children to leave Thailand for the present, says a Thai Government communique, which emphasises that this is a precautionary measure in view of the general international situation.

It is not confined only to Thailand. The communique adds that the British Minister has informed the Thai Government that British subjects have not been ordered to leave Thailand.

A Young People's Meeting will be held at the Chapel of the Christian and Missionary, 25 Cumberland Road, Kowloon, this evening at 7 o'clock. Leader: Mrs. John Bechtel. The service will be in English and is open to all English-speaking Young People.

ALLAHABAD, Feb. 20 (Reuter)—Lt.-Col. Sir John Thom, Chief Justice of the Allahabad High Court, died yesterday.

ive in their criticisms and jealous guardians of the public good.

THOSE PRESENT

Present at the meeting were Hon. Mr. N. L. Smith (President), Hon. E. Major-General A. E. Grasett, Hon. Mr. C. G. Alabaster, Hon. Mr. R. A. C. North, Hon. Mr. H. R. Butters, Hon. Mr. A. B. Purves, Hon. Dr. P. B. Selwyn-Clarke, Hon. Mr. C. G. Perdue, Hon. Mr. W. J. Carlie, Hon. Mr. J. J. Paterson, Hon. Mr. S. H. Dodwell, Hon. Mr. M. K. Lo, Hon. Mr. Leo D'Almada, jun., Hon. Mr. A. L. Shields, Hon. Mr. W. N. Thomas Tam, Hon. Mr. T. E. Pearce, Hon. Mr. Li Tse-fong and Mr. C. Bramall Burgess (Deputy Clerk of Council).

OATH OF ALLEGIANCE

The Hon. Mr. Li Tse-fong took his oath of allegiance as a member of the Legislative Council prior to the commencement of the business of the meeting.

Solution For Immigration Certificates Issue

Continued from Page 7

period extending from the 1st January 1940 to the 31st March 1941, a period of fifteen months, gives the figure for Ordinary Revenue, that is, apart from War Taxation, as \$57,300,000.

EXISTING STATE

Using this figure as a basis for calculation and presuming the continuance of the existing state of prosperity, a factor on which the Hon. Financial Secretary himself relies, the proportion for twelve months would be \$45,840,000. This amount, although three lakhs larger, would seem at first glance to approximate and to bear out the estimate of \$45,536,000, which has been given as the prospective Ordinary Revenue for the twelve months commencing from the 1st April 1941 and ending on the 31st March 1942; but it must be remembered that the former figure of \$45,840,000 does not take into account the increase in petrol, spirit and other duties which have operated for only a portion of the last fifteen months and also the increase in postage rates which was introduced as recently as the 1st of the present month.

My submission, therefore, is, that if these increases in taxation had operated for the whole of the preceding fifteen months, the revenue would have been immeasurably higher, the difference between the figure obtained by using the revenue of the previous year as a basis and the figure which has been given as a forecast would be accentuated and the conservative nature of the estimate would thereby be clearly demonstrated.

In this connexion, it may be noted that the Hon. Financial Secretary in his latest statement, gives a Revised Estimated Revenue of \$56,786,000, which includes War Taxation and new or additional duties brought into effect on the 18th January last; but as I have not depended on the inclusion of these new duties for comparison, my remarks remain unaffected.

In summarising the financial position of the Colony, the Hon. Financial Secretary deplored the fact that when the second instalment of the 1934 Dollar Loan was floated last June, it was necessary for Government itself to take up \$5,790,000, namely more than half of the total, and that cash was obtained only to the extent of \$5,640,000.

CONGRATULATIONS

Far from being a cause for dissatisfaction, it appears to me to be a cause for congratulations, that the finances of the Colony should be in that happy state whereby it could finance itself out of its surplus balances. The voicing of dissatisfaction, if any, must surely apply to the local money market and more particularly to the local taxpayer, that he should be obsessed by such difficulties as to render his response to an attractive form of investment on favourable terms, so meagre.

So far as Government is concerned, no loss has been incurred as it is only making use of its idle money and its cash position is being gradually restored by yearly redemption of these bonds from funds allotted for that purpose out of current revenue.

Incidentally, in this connexion, provision has been made, under Head 22 of the Draft Estimates, as a charge on account of Public Debt, for the payment of a sum of \$404,380 as interest on this particular loan. There is no doubt that, as Government has taken more than half of this loan, more than two lakhs of that interest will be due to Government itself; but nowhere is mention made of this on the income side, a perfect example of what I have referred to as hidden reserves.

In the ordinary course of events, little criticism would be levelled at a Budget on these lines, as it is sound policy for the guardian of the public purse to exercise caution; but while caution which leads to the showing of a deficit is understandable; it is time to ask for a return to a sense of proportion when that caution becomes excessive. Its use is certainly not justified in painting a picture so gloomy that a call for further sacrifices will be unchallenged by a community burdened by greatly increased costs of living and bearing, albeit cheerfully, added taxation as a war effort.

GREATER EFFICACY

If the intention was to stimulate fresh efforts to support the war, then a direct exhortation to the public to do its duty would have greater efficacy. We cannot

do too much; as individuals some of us might do more, but so far as Hong Kong as a whole is concerned, we have no need to be ashamed of our effort, \$10,000,000 per annum by way of War Taxation for a tiny colony, with a dearth of agricultural produce, few major industries, a total absence of precious metals and next to no mineral wealth is no mean effort.

We have been criticised for the unfair incidence of our form of taxation. There are few of us who do not admit that there are faults as there are in every system. Nevertheless, while others are still in the process of deliberation and searching for an ideal, Hongkong has for over a year been fulfilling its obligations.

It is regrettable that reference has been made to this subject and to the comparative merits of an Income Tax. No good can out of resuscitating a controversy long dead and buried. I do not intend to dwell on the subject, as I am confident that the War Taxation Committee which Your Excellency has reconstituted will make every endeavour to remove imperfections and to evolve as satisfactory a system as possible.

IMMIGRATION CERTIFICATES

Coming to the working of the newly established Immigration Department, I would like to support the request which my Senior Chinese colleague has made regarding a general speeding up in the issuance of immigration certificates.

A simplification in the rules of procedure appears to be the solution.

At present, before an applicant can be issued with a certificate, he has to fulfill four requirements. Firstly, he has to obtain an application form; secondly, he must have a photograph which is in accordance with specifications; thirdly, he must send in his application form properly completed and fourthly, he must apply for the certificate. In order to comply with these requirements, an ordinary person in addition to his visit to an authorised photographer would, in all probability, be compelled to line up in a queue in fair weather or foul, in sun or rain, for three consecutive occasions before he could obtain his certificate and then only presuming no hitch had occurred.

I have learned that modifications have now been introduced so that a certificate may be obtained in as short a period as twenty-four hours. This is certainly welcome news, if true; but there are still other aspects of the problem to which attention should be given at an early date; I refer to the examination of ships on arrival, the return of deposits made by persons entering without certificates and also the method of collecting and the fixing of the amount of these deposits and the necessity of paying in Hongkong currency.

FAR FROM HELPFUL

I believe the general public is fair-minded enough to realise the difficulties which must be encountered in setting up a new department with the wide ramifications involved, in the short-time assigned and perhaps with an insufficiency of staff and office space. The public would not mind the delay and would be prepared to co-operate by suffering reasonable inconvenience, provided it is satisfied that the department is doing its best and is itself sympathetic towards the hardships of the public; but the complaint is that far from being helpful, the officials of that department have shown nothing but inactivity and the result is the creation of considerable resentment on the part of the public, which is now clamouring for satisfaction.

In fairness to the head of the department, I must qualify what I have said by stressing that whenever I have been deputed by my colleagues to see him, I have found him not only most affable and considerate but ready to meet any suggestions which we might have submitted.

NIGHTSOIL COLLECTION

Perhaps the most controversial of the items which are now appearing for the first time in the Budget is the provision for a scheme, known as departmental collection, whereby Government will employ coolies, some 2,000 in number for the removal of nightsoil, the cost of the project to be met by an increase of one per cent in the rates. My Chinese colleagues and I learn with deep satisfaction that it has been decided by Government that this scheme should stand over until further considera-

tion has been given to the matter and to refrain from expenditure without the consent of the Finance Committee. This decision is, in our opinion, a wise one.

We venture to suggest that, before committing itself, Government should examine carefully and find out exactly what are the advantages and improvements attached to departmental collection. All of us realise that the present system is far from satisfactory. We would welcome a change for the better; but how is the proposed system a better one? Surely not because 2,000 coolies formerly free-lance would thereby become Government servants. Judging by the many representations which have been made, the coolies themselves do not appear to share the same enthusiasm.

PUBLIC HEALTH

How then, from the point of view of public health, can it be said to be progress when the same old method and the same old set of coolies are employed? In fact, so far as the average tenant is concerned, he would prefer to deal with the coolie working for himself, who in all likelihood would be a far humbler individual than the same coolie working in the role of a Government servant. At least, now, when a tenant has a complaint to make, he goes to a neutral party; but with departmental collection, he will be faced with the task of laying a complaint before the head of a Government against one of his subordinate officers, two totally different propositions.

It appears to me that there is some confusion of thought as regards the issues involved. While improved transport or improved buckets would represent an improvement in the method of collection and will be beneficial, the change in the status of the coolie is unimportant and is not a condition precedent to the setting up of adequate supervision.

As an alternative and a more satisfactory solution, I submit that the Urban Council should license the existing coolies or a number of foremen to provide coolies, that the Council should take a deposit from them and see that they carry out their duties properly, any delinquency to be punishable by fine, the payment of which will be guaranteed by the deposits suggested, with cancellation of licences in cases of grave or repeated offence. We would most respectfully urge Government to try this alternative solution before embarking on a scheme of departmental collection.

Further, I have been informed that the present coolies through their guilds have petitioned Government expressing their readiness to introduce improvements in transport and in receptacles and to meet any requirements which Government may stipulate. It therefore does not appear that Government should have any reason to be apprehensive of a lack of progress.

BEST INTEREST

Finally, even if it could be shown, which many of us doubt, that it would be to the best interest of the Colony that departmental collection should be adopted, it nevertheless still remains for Government to be satisfied that the use of public money is necessary, particularly when further taxation is involved.

The people who have recourse to the present system have never refused to pay. Take the poorer classes, whom it is intended to benefit. In their case, there will be no actual relief; as we know that most of them are only sub-tenants; and it will mean that the principal tenant, who makes a business out of sub-letting will be spared a legitimate expense and will derive a bigger profit thereby; while on the other hand, tenants of property with a water carriage system will be penalised by higher rates. Can this be said to be an encouragement to the general introduction of water closets, or is it not rather an inducement to cling to the old antiquated system?

Government has attempted to justify the use of public money by claiming that it is through the use of public money that drains have been laid. There is an obvious fallacy in this argument. Firstly, the drains exist whether water closets use them or not, and secondly, drains alone do not make a water closet system; whereas Government, in cases where the owners of property have not thought fit to install water closets, will be paying the whole cost of a system which takes the place of

but is far less satisfactory than a water carriage system.

VICE AND CRIME

I now come to a matter which affects the good name of the Colony and with which my fellow Chinese members have asked me specially to deal. Many a resident, alarmed by the serious prevalence of crime and vice has repeatedly approached us to press Government for more energetic action. We on our part have made repeated representations to Government, sometimes as the result of specific requests from members of our community; but more often than not, on our own initiative. The situation is getting from bad to worse. We know that the Hon. Commissioner of Police is doing all he can; but we feel that something more must be done.

The suppression of gambling, particularly of "Tse-Fa" lotteries, which are fast becoming an open scandal, the eradication of open soliciting in the streets, the placing of a check on the activities of girl escort bureaux, the prevention of robbery and larceny, especially petty thieving and snatching in the streets form the list which we have been asked to bring to the attention of Government.

The stories of the existence of lands where one may sleep with one's front door open and not be robbed; where one may leave a parcel in a tramcar and have it returned the next day seem to us fantastic and fill us with wonder and envy. It is sad to think that we in Hong Kong must sleep behind iron grilles and bolted shutters and yet not be free from depredations. No one is respected, be he magistrate or policeman, be he talpan or ordinary shopkeeper. Nothing is free from fishing. It may only be a plank in a staircase, a hook for fastening a window or a short length of wiring, the saleable value of which is infinitesimal though the replacement cost be high. As for motor cars, fountain pens and ear rings, these are stolen, picked from the pocket, or snatched in broad daylight.

If all crime were the result of poverty, the search for a cure, difficult though it may be, is not impossible; but if a gambler steals to get stake money and a dope fiend to satiate his desire, the matter becomes far more complex.

NOT EASY PROBLEM

We realise that the problem is not an easy one. Apart from the question of arrest, which is a police matter, no permanent solution can be found without taking into account the provision of sufficient prison accommodation, the creation of decent employment and the introduction of general education. The higher the ethical standard of the people as a whole, the less there is of crime; and it is by going to fundamentals that it can be hoped to efface all the sores with which this Colony is beset.

The levelling of the masses takes time; but there is no need to remind Government of the urgency of the problem. Next to the prevention of invasion from without is the prevention of lawlessness and disorder from within.

We therefore, trust that Government will undertake its just responsibilities and will make more serious and more strenuous efforts to stamp out crime. We owe it to the innocent and law-abiding to remove from them a constant fear of and a growing concern for lawlessness and insecurity.

ESSENTIAL COMMUNITIES

Finally, I would like to draw the attention of Government to the necessity of maintaining a low price for the three commodities which the Chinese community considers essential for life, namely, rice, firewood and peanut oil. I know from information which has been furnished to me as a member of the Finance Committee that considerable steps have been taken as regards the first two; but it is my earnest hope that more will be done in the near future; while as regards peanut oil, may I suggest that it should also receive consideration?

In conclusion, I wish to associate myself with the tribute which my Senior colleague has paid Your Excellency for I can, from my own experience, testify that whenever representations have been made concerning the welfare of the Chinese community, Your Excellency has never failed to receive us with courtesy and sympathy; and if I may be permitted, I would like to take advantage of this opportunity to add my own expression of gratitude.



HON. MR. S. H. DODWELL

HON. MR. S. H. DODWELL

Continued from Page 7

tax on an unwilling Chinese population might easily lead to our getting less revenue and cost us more to collect.

During the deliberations of the Select Committee, the conduct of certain Government departments (some in for much adverse criticism. My Honourable friend the Senior Member has already dealt with this matter, but I should be lacking in my duty were I not also to stress the extreme seriousness of the many adverse reports and complaints which far too many members of the public have brought to the notice of us Unofficials. Unfortunately, few, if any of the serious charges made can be supported by evidence because those concerned are unwilling to come forward for that purpose, but grievances are so numerous that in the interests of those few departments themselves, as well as that of the public, an enquiry should be held.

THREE DISABILITIES

Last year in the remarks I made during the budget debate, I expressed my conviction that the Government was suffering from three deadly disabilities: firstly, their inability to dispense with the services of an unsatisfactory servant; secondly, promotion by seniority rather than ability, and thirdly the higher pay obtaining in this Colony as compared with most others, which reduces to a minimum the healthy transfer of staff from one Colony to another, and breeds for too many parochial-minded Government servants.

In the Report of the last War Revenue Committee the members, composed of the leading business men of the Colony under the Chairmanship of my Honourable friend the Attorney General, were unanimous in recommending that—

"Before fresh taxation is imposed to meet this need, a Commission (preferably a Royal Commission) be set up to investigate the whole organisation of civil government in this Colony with a view to ascertaining whether it is possible to effect economies which would permit of a substantial increase in the programme of social services without undue increase of taxation."

We realise that the present situation renders it impossible for this recommendation to be carried out, but if the same Commission is reconstituted this year, I hope they will repeat this recommendation in their 1941 report, lest 1940's be pigeon-holed and forgotten.

There is pressing need for a thorough overhaul of a system which has raised the total of personal emoluments to such a fabulous sum that the Colony's taxable capacity in normal times is not equal to also providing what should be provided for our social services.

CRITICISM CONFIRMED

The paucity and mediocrity of the executive material available this year to fill the special war-time departments has, I think, confirmed my last year's criticism up to the hilt. I venture to think that the executive heads of the Government staffed these departments not with men they considered to be suitable for the jobs, but with senior men they had either to find jobs for or pension off long before their pensionable age. Although they probably won't admit it, they know in their heart of hearts that this is the case. The Prime Minister has made it clear that he wants to rid himself of much of the verbiage and red tape in which the service abounds. Let us pray that, at the end of this war, he will go further, and see that it is placed on a more businesslike and workable footing.

NEW SELECTION

IN

SPRING HATS.

ALL ATTRACTIVE

&

SMART MODELS



IN BLACK & DARK STRAWS.

LADIES' SALON

LANE, CRAWFORD, LTD.

HON. MR. A. L. SHIELDS

More Public Works Economy

In the Budget now before us we have the estimated revenue of \$56,786,000, the highest on record, but, nevertheless, the estimated deficit is \$3,856,715, a matter of grave concern for this Council and the Public.

There are, however, some rays of hope in this gloomy picture. First that the recent and very necessary War Expenditure may be reduced and finally disappear, second that actual Revenue for the past three years has greatly exceeded the forecast and also the very heavy expense for emergency food reserves has been written off and should not prove to be a total loss.

I wish to thank His Excellency for agreeing to omit or reduce several items of expenditure in the draft Estimates as suggested by the Unofficial Members of this Council sitting in Select Committee.

NEW POLICE BLOCK

I refer particularly to the proposed new block at Police Headquarters at \$800,000 which, can probably be built for considerably less when the cost of building materials comes down to normal. This question of cost of building also applies to the proposed Infectious Diseases Hospital at \$1,900,000 of which it was proposed to provide \$500,000 in 1941/2 leaving a liability of \$1,400,000 on an uncompleted building for the following year with a contract placed at present high prices.

Government estimates of cost are apt to be largely exceeded owing to "unforeseen circumstances" and to changes found necessary as work proceeds. The postponement of the Hospital contract may perhaps enable unanimity to be reached on what is really required, a subject about which, rumour has it, there is some difference of opinion.

If the Hospital is an urgent necessity can it not be built quickly in isolated blocks on the lines of the huts in St. John's Place? These appear to a layman to be much more suitable as children with say mumps or measles would not be under the same roof with cholera or small-pox patients.

There are I feel sure several items under Public Works Extraordinary on which further economies can be effected and I hope the Hon. D. P. W. will do his best.

I understand that at least one of my colleagues will speak on the subject of nightsoil removal being undertaken by a Government Department at a cost of \$384,000 for coolies only, an item which once incurred will be recurrent.

COSTLY EXPERIMENT

This is a costly experiment at a time when War Expenditure is a heavy drain on our resources and one which I understand will meantime carry on the present system owing to the inability to provide improved receptacles. I sincerely hope the measure will be postponed until we can afford it.

I am not happy about the pro-

vision of \$4,700,000 for vessels to be presented to the Admiralty. This was authorised last year but no expenditure is anticipated for the financial period ending March 31 this year although the Imperial Government is in urgent need of destroyers or escort vessels for convoys.

The answer is, I understand, difficulty or delay in getting steel and special equipment which had to come from Home. Can we not help the cause more quickly and more efficiently by building standard ships which are also urgently required?

We may be celebrating a victorious peace before these special vessels are in commission whereas freighters will be in demand long after the war is over.

Meantime the liability for \$4,700,000 remains in our commitments and is a large enough sum to influence any inquiry into the necessity for increased taxation.

CAME AS SHOCK

The Hon. Financial Secretary's remarks, when introducing the Budget, raising the bogey of Income Tax came as a shock after the agreements reached last year. War Taxation Revenue exceeded the estimated figures and the Finance Committee voted all supplementary expenditure for Defence. The Budget since its introduction has come within sight of being balanced.

If further War expenditure is required this Colony will not grudge it, but let it be raised within the framework of the existing Tax Scheme by revising the rates of tax.

The War Taxation Committee has been reconstituted under the pretext of an unbalanced Budget and we can only await the result of its deliberations but I believe any proposal to introduce Income Tax for ordinary revenue purposes will meet with even more opposition than did the suggested Income Tax to find money to assist in the prosecution of the War.

The items of expenditure which have been cut in the Estimates now before us might well have been pushed through if we had Income Tax, by the simple expedient of increasing the rate. In spite of the wish of the Secretary of State for the Colonies that development, social service, etc., should not be curtailed in war time we have to face hard facts.

TIGHT REIN

We must keep a tight rein on expenditure by Government Departments on their pet schemes which may endanger the solvency of the Colony at a time when we need some dollars in the till and some untapped sources of taxation to meet further calls for defence and I hope offence.

The lack of support for the last Government Loan should be a warning. The Public is deeply concerned over the high cost of Government, Pensions, etc., and about the carefree way in which Government spends its money.

Finance and Commerce

when changed to corn, they will produce some 5,000,000 piculs. As corn ripens 40-50 days earlier than kaoliang, the fields will sooner be free for other crops.—(C.I.C)

A chemist gave evidence that the quantity of gold in "solution" to represent such a value would weigh about 100lb. and an ordinary person would be unable to carry it in any ordinary container.

Providents, \$5.75.
Lands, \$34.
Trams, \$17.50.
Electrics (O), \$39.25.
Electrics (N), \$38.75.

The total value is \$24,081.25.

CHUNGKING, Feb. 20 (Central)—The National Government has appropriated \$100,000 (Chinese currency) to the Industrial Projects Research Committee under the Chinese Engineers Society which is studying ways and means to enforce the industrial project laid down by the late Dr. Sun Yat-sen, Father of the Chinese Republic.

STOCK EXCHANGE.				SHAREBROKERS' ASSOCIATION.					
Buyers	Sellers	Sales	Nominal	THURSDAY 20 FEB.		Buyer	Sellers	Sales	Nominal
				Banks					
			\$1400	H.K. Banks	\$1350	C.D.			
		X.D.	277	Do. (Col. Reg.)					27
			278	Do. (Lon. Reg.)					27
			273	Chartered Banks					27
			223	Mercantile Bks. "A"					22
			211 1/2	Mercantile Bks. "C"					21
\$78				Bank of East Asia	\$76				
				N. C. & S. Banks	15 ct.				
				Insurances					
			\$215	Canton Insurances					\$2
		\$411	\$1	Union Insurances					\$4
\$170				Underwriters					\$1
				H.K. Fires					
				Shipping					
			\$135	Douglases					\$1
	\$9			Steamboats					\$8
			\$100	Indo-Chinas (Prof.)					\$1
			\$80	Indo-Chinas (Def.)					\$0
U.			40 1/2	Shells					\$4
			\$7	Waterboats					\$
				Docks, Wharves, Godowns, etc.					
			\$98	H.K. & K. Wharves				\$5.75	\$
\$3 1/2		\$5 1/2		Providencia					\$
			\$17.80	H.K. Docks (Old)	\$17.80				\$
			\$17	H.K. Docks (New)					\$
			\$28	+Shanghai Docks					\$
				Mining					
			18/0	Kailash					18
			28	Raube					
			1 1/2 cts.	Hong Kong Mines					
				Lands, Hotels and Buildings					
	\$3.60			H.K. & S. Hotels	\$3.60				\$
			\$34 1/2	H.K. Lands					\$
\$97 1/2				Do. 1/2 Dehtures					\$
			\$11.70	Shanghai Lands					\$
\$3 1/2				H.K. Realities	\$3.60				\$
			\$7.05	Humphreys	\$7.10				\$
			\$98	Chinese Estates					\$
				Cotton Mills					
			\$40 1/2	Ewo (S.)					\$
			\$205	S'hai Cottons (S.)					\$
				Zoong Sing (S.)					\$
				Wing On Textiles (S.)					\$
				Public Utilities					
		\$17 1/2	\$17 1/2	H.K. Tramways	\$17.40	\$17.65			\$
			\$7 1/2	Peak Tram (old)					\$
			\$3 1/2	Peak Tram (new)					\$
			\$57	Star Ferries	\$57				\$
			\$24 1/2	Y'mat Ferries	\$24 1/2				\$
\$6	\$6.20			China Lights (O)	\$6.10	\$6.15			\$
			\$1.97 1/2	China Lights (New)					\$
			\$39 1/2	H. K. Electric (Old)	\$39 1/2	\$39 1/2			\$
			\$39 1/2	H. K. Electric (New)					\$
			\$17 1/2	Macao Electric					\$
			\$12 1/2	Macao Electric (New)					\$
			\$12 1/2	Sandakan Light					\$
		\$24 1/2		Telephones (old)					\$
			\$10.20	Telephones (new)					\$
				S'pore Tractions (Ord.)					\$
				Industrials					
			\$30	Cald. Macg. (Ord.)	\$				\$
			\$25	Cald. Macg. (Pref.)	\$				\$
			\$1	Canton Ice					78
			\$17 1/2	Cements	\$17 1/2				\$
			\$8 1/2	H.K. Ropes					\$
				H.K. Govt. Loans					\$
			\$87	4% Loan					\$
				3 1/2% (1934)					\$95
\$94 1/2				3 1/2% (1940)					\$
\$94 1/2				Miscellaneous					
			\$19.20	Dairy Farms		\$19			\$
			\$7	Entertainments	\$7.10				\$
			\$1	Constructions					\$
			\$1.80	Constructions (old)					\$
			\$7 1/2	Lane Crawfords					\$
			\$215	Nanyang Tobacco	\$2.90				\$
			\$2.15	Sinceres	\$2.10				\$
			\$10.95	Walsons					\$
			\$247	Ch. C. & S. (Ord.)					\$
			\$39	H.K. Wing On					\$
				S'hai Wing On					\$
			\$7.70	Vibro Piles					\$
			\$6/3	Marsmans Inv. (Lon.)					\$
			3/8	Marsmans Inv. (H.K.)					\$
			\$1.90	Wm. Powells					\$
				China Lights (Rights)					\$
				1/2 Sale to Shanghai					\$

NO COLOURING MATTER
NO INJURIOUS INGREDIENTS

London, Feb. 19 (Reuter).
Tin, Standard, Cash, Middle
Price, £271-5/8.
Tin, Standard, 3 months, Middle
Price, £268-3/8.
Market strong.

London, Feb. 19 (Reuter).
Bar Gold, Fine per oz., 168/-

LONDON, Feb. 20 (Reuters) — The big trial of the officers who have joined the De Gaulle's movement is to begin on Feb. 25 at Gannat, 10 miles west of Vichy, states a Vichy despatch to the official German news agency. Proceedings will not be open to the public.

CHUNGKING, Feb. 20 (Central)—A President liner which is scheduled to arrive in Shanghai and carry American evacuees back to the United States is fully booked, according to a Shanghai dispatch.

Preparations for the evacuation of British from Shanghai are also under way. Between 500 and 600 British evacuees are understood to be arriving in Shanghai from Peking and Tientsin en route back to England.

—The new United States, 35,000-ton battleship, Washington, will be commissioned on May 15, six months ahead of schedule, the Navy Department announces. The Washington's main armament consists of nine 16-inch guns.

The following classes of advertisements are charged at the price given below:—

SITUATIONS VACANT.	HOUSES AND APARTMENTS TO BE LET.
HOUSES AND APARTMENTS WANTED.	MISCELLANEOUS WANTS.

Announcements not exceeding 25 Words are inserted under this heading at a Free-
 Rate of \$1.50 for THREE INSERTIONS. If Charges collected, \$2.00.

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for all gold and silver articles,
gold bars, diamonds and jewels.
Apply China Gold Refining Co.
Pedder Building, 2nd floor, Room 8.

any amount of gold articles
diamonds, silver, jewels, etc. No
holidays. Apply China Building
7th floor. Tel. 30727. Eurasia Gold
Refining Co. " " " "

gold and silver articles. Jade diamonds, jewels, watches, fountain pens. Apply Far East Diamond and Gold Refining Co. Room 621, China Building, 6th floor.

Why not learn all the Fancy latest Stitches for your dresses and Sweaters.

JOIN THE KNITTING CLASS
AT \$3.00 per month (1 vice a week lesson). Please apply to Box No. 654 c/o H.K.D.P.

ORDERS TAKEN for hand-made sweaters, Ladies' jumpers, Babies' outfits, etc., at \$5.00 each for workmanship.
Wool and model desired, to be supplied by customer.
Send particulars of address, etc. to Box 502, H.K.D.

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FOREIGN MARKETS & QUOTATIONS

MONEY AND EXCHANGE

CLOSING QUOTATIONS

FEBRUARY 20, 1941.

On London:	
Telegraphic Transfer 1/2 7/8	
Bank Bills, on demand 1/3 7/8	
Credits 4 months' sight	
On Shanghai:	
On demand	420
On Singapore:	
On demand	52 3/4
On Japan:	
On demand	108 1/2
Telegraphic Transfer 1/2 7/8	
and demand	68 1/2
On New York:	
Bank Bills, on demand 24 1/4	
Credits, 60 days' sight 25	
On Batavia:	
On demand	45 1/2
On Paris:	
Bank Bills, on demand 50m	
Credits 4 months' sight 50m	
On Saigon:	
On demand	105
On Manila:	
On demand	48 1/2
On Bangkok:	
On demand	148 1/2
On Sterling Notes:	
Bank Buying Rate	Nom.
Bar Silver per oz.	23 3/8

Market Report

FROM ROZA BROS.

Thursday, Feb. 20.

Silver prices rose 1/16 yesterday for both deliveries, the quotations being 23 3/8 for both Ready and Forward. Silver advances reported the market as being quiet. Offerings were small. Buyers were satisfied. American Silver was quoted at 34 3/4 for Spot.

The London/New York cross-rate was quoted at 402 1/2. New York/London was quoted at 402-3/4.

MARKET

Quiet.

STERLING

There were sellers at 1/3 February-April, buyers at 1/3 1/2 for Cash.

U. S. DOLLARS

Some business was reported at 24 1/2 for Cash. The market closed at 1 p.m. with sellers at 24 1/2 for Cash, buyers at 24 5/8 for Cash.

SHANGHAI DOLLARS

Early morning some business was arranged at 435 1/2 and also 434-1/2 and 433. The market closed with sellers at 433 1/2, buyers at 434 1/2.

SHANGHAI MARKET

Sellers of Sterling for Spot were quoted at the opening at 327/64. Last advices reported sellers at 329/64 for Spot. U. S. Dollars sellers for Spot at 5/8. Last advices reported sellers at 5 1/2 3/2 for Spot.

AFTERNOON MARKET

The market was quiet for Sterling. U. S. Dollars were a shade easier.

STERLING

There were sellers at 1/3 February-April, buyers at 1/3 1/2 for Cash.

U. S. DOLLARS

The market opened with sellers at 24 1/2 resulting in some business at 24 1/2. At the close there were sellers at 24 1/2 and possible buyers at 24 1/2 for Cash.

SHANGHAI DOLLARS

There were sellers in the afternoon at 433 1/2. The market closed with sellers at 432 1/2 for Spot.

SHANGHAI MARKET

Opened with sellers of Sterling at 329/4 and closed a shade steadier with sellers at 315/32 for Spot. U. S. Dollars opened with sellers at 315/32 and last advices indicated sellers at 5 1/8 for Spot.

Shanghai Exchange

Shanghai, Feb. 20 (Reuters).

Official T.T. Rates

London	0/3-3/8
New York	5-1/2
Japan	22-3/8
India	18-3/4
Paris	nominal
Hongkong	22-3/8
Silver Duty Rate	
The Central Bank of China's rate on London at 10 am. today was 1/2-1/24.	
The Equalisation rate was 24 per cent.	

Calcutta Exchange

Calcutta, Feb. 19 (Reuters).

T.T. on Japan, 81-1/4.

India Rupee Paper	
Bombay, Feb. 19 (Reuters).	
Govt. 3 1/2% Rupee, 94-1/2.	

NEW YORK COMMODITY MARKET

(REUTERS SERVICE)

NEW YORK, Feb. 19, 1941.

	High	Low	Close	Prev. Today's	Change
New York Cotton, March	10.30	10.25	10.25	10.29	.04 up
New York Rubber, March	21.28	21.00	20.66	21.15	.49 up
Chicago Wheat, May	79 1/2	78 1/2	79	79 1/2	1/2 up
Chicago Corn, May	61 1/2	60	60 1/2	61 1/2	1/2 up
New York Hides, March	12.65	12.40	12.44	12.65	.21 up

NEW YORK COTTON Close Opening Closing Change

March	10.25/25	10.28/28	10.29/28	.04 up
May	10.21/21	10.26/25	10.28/23	.07 up
July	10.07/07	10.12/11	10.15/15	.08 up
October	9.89/88	9.89/89	9.88/88	.02 up
December	9.83/82	9.86b/87a	9.88/88	.04 up
January	9.81/N	9.86/88	9.84/N	.03 up
Spot	10.76		10.80	.04 up

Total sales Tuesday—65,800 bales.

The first notice day for March Cotton is 25/2/41 and last day is 14/3/41.

NEW YORK RUBBER

March	20.68/86	20.75b	21.15/15	.49 up
May	20.57/80a	20.71b/80a	21.03/84	.46 up
July (New contract)	20.05b	20.17b/35a	20.40/40	.35 up
September	19.90/90	20.05b	20.27/27	.37 up

Total sales—unreceived.

CHICAGO WHEAT

May	79/79 1/2	79 1/2/79 1/2	79 1/2/79 1/2	1/2 up
July	74 1/2/74 1/2	74 1/2/74 1/2	75/75	1/2 up
September	74 1/2/74 1/2	74 1/2/74 1/2	75 1/2/75 1/2	1/2 up

Tuesday's sales—9,445,000 bushels.

CHICAGO CORN

May	60 1/2/60 1/2	60 1/2/60 1/2	61 1/2/61 1/2	1/2 up
July	59 1/2/59 1/2	60 1/2/60 1/2	60 1/2/60 1/2	1/2 up
September	58 1/2/58 1/2	60 1/2/60 1/2	60 1/2/60 1/2	1/2 up

NEW YORK HIDES

March	12.44/44	12.35b/50a	12.65/65	.21 up
June	12.43/43	12.48/48	12.72/74	.29 up

Total sales for the day—158 contracts.

NEW YORK COCOA

March	5.62/N	5.63b/65a	5.65/66	.04 up
May	5.69/N	5.70/70	5.73/N	.04 up

NEW YORK SUGAR NO. 3

March	2.60b/07a	2.60b/09a	2.60b/09a	.02 up
May	2.12b/13a	2.12b/14a	2.12b/14a	.01 up

Volume of business done—265 lots.

NEW YORK SUGAR NO. 4

March	68b/69a	unquoted	68b/69a	
May	71b/72a	71b/73a	72b/72a	.00 1/2 up

Volume of business done—80 lots.

The first notice day for March is 17/2 and last day is 28/2.

NEW YORK COPPER FUTURES

March	11.55b/58a	11.50b/55a	11.55b/80a	unch.
July	11.42b/50a	11.40b/50a	11.44b/50a	.02 up
N.Y. Official Silver	34-3/4		34-3/4	
N.Y.-London Cross Rate	4.03		4.02-3/4	

LONDON STOCK EXCHANGE

(REUTERS SERVICE)

London, Feb. 19.

The following quotations are the middle prices at the close of the market in London. All quotations are subject to confirmation and no responsibility is assumed for errors in transmission.

War Loan, 4% (Red, after 1952)	103-7/16
Defence Loan, 3%	101 1/2
Yankee-K'loon Ry. 5%	101 1/2
Chinese 4 1/2% Gold Loan 1898 (Brit. Issue)	44
Chinese 5% Gold Bonds, 1925/47	42 to 47
Chin. 4 1/2% Anglo-French Loan, 1908	45
Chinese 5% Crisp Loan, 1912	26
Chinese 5% Reorg. Loan, 1913 (Ldn. L.)	24
Chinese 8% Ster. Notes, 1925 (Vickers)	10
Chin. Imperial Ry. 5% Loan	47
Honan Ry. 5%	18
Hukuang Ry. 5%, 1911 (L.N. N.Y. Issue)	15
Hukuang Ry. 5%, 1911 (German Issue)	13
Lung T'ing & U. Hai Ry. 5% 1913	14
S'hai-N'King Ry. 5%	18
Tientsin-Pukow Ry. 5% (Brit. Stpd.)	15
Tientsin-Pukow Ry. 5% (German Stpd.)	15
Tientsin-Pukow Ry. 5% (Brit. Stpd. Supl. Loan)	15
Tientsin-Pukow Ry. 5% (Ger. Stpd. Supl. Loan)	15
Jap. 6% Ster. Loan, 1924	22
Ger. 7% Intl. Loan, 1924	6
Chartered Bank	7 1/2
H.K. & S'hai Bank (Ldn. Reg.)	7 1/2
H.K. & S'hai Bank (Col. Reg.)	7 1/2
Chinese Eng. & Mining (bearer)	18/-
Chosen Corporation	4/-
Mercantile Bank of India, 25, "A"	11-1/8
Pekin Syndicate	1/8

RESERVE BANK OF INDIA STATEMENT

Calcutta, Feb. 19 (Reuters).

Feb. 7 Feb. 14

Notes in circulation (including Notes held in the Banking Department)	26,505	26,518
Rupies Coin and Bullion in India	3,052	3,065
Gold Coin and Bullion in India	4,441	4,441
Securities (Indian Government)	4,960	4,960
Securities (British Government)	14,050	14,050

(Figures in Lakhs of Rupees).

SILVER MARKET

LONDON, FEB. 19 (Reuters).

Silver—Small bear covering demand. Little offering. Market quiet. In the afternoon, the market was quiet, with buyers satisfied.

Spot, 23-3/8d.
Forward, 23-3/8d.

BOMBAY SILVER

Bombay, Feb. 19 (Reuters).

Market—Quiet. Offtake 100 bars.

Indian Mint Silver

Ready

Mar. 25 Settlement

Apr. 22 Settlement

63-02

62-15

63-00

S'hai Elec. Constr. Co.

S'hai Waterworks "A"

Union Insurance

Gula Kalumpung Rubber

Lon. Mid. & Scot. Ry.

Great Western Ry.

National Bank of India

S.A. Tob (bearer)

Dunlop Rubber

Bristol Aeroplane

Imperial Chemical Ind.

United Steel

Woolworths

Marsman Investments

Western Holdings

Sub-Nigel

Shell Trans. & Trad.

(bearer)

"ex. d"

NEW YORK STOCK EXCHANGE

QUOTATION

(REUTERS SERVICE)

FEBRUARY 20, 1941.

STOCKS	Last Sale	STOCKS	Last Sale
Feb. 19	Feb. 19	Feb. 19	Feb. 19
Adams Express	20	Loft Incorporated	—
Allegheny Steel Co.	28 1/2	Mack Truck Inc.	—
Allis Chalmers	71 1/2	Martin, Glen L.	23 1/2
Aluminum Ltd.	83	McKesson & Robbins, pfd.	24 1/2
Amer. Can.	32	Montgomery Ward	35 1/2
American Cyanamid B.	15 1/2	Mt. Airy City Copper Co.	—
Amer. & Foreign Power	12 1/2	National Aviation	8 1/2
Arner & Foreign \$7 pf.	15 1/2	Nat. Dairy Products	13 1/2
Amer. Locomotive	16 1/2	National Distillers	—
Amer. Radiator	6	National Lead	—
Amer. Rolling Mill	11 1/2	Nat. Power & Light	—
Amer. S'ing and R'ing Co.	38 1/2	National Supply Corp.	—
Amer. Sugar Refining	156 1/2	New York Central	12
Amer. Tel. & Tel.	156 1/2	Niagara Hudson Power	24
Amer. Tobacco "B"	54	N. American Aviation	12 1/2
Amer. Waterworks	22 1/2	North American Co.	15
Amazonda Copper	21 1/2	Northern Pacific	50 1/2
Atchafalca, T. & S. Fe.	21 1/2	Owens-Illinois Glass Co.	48
Aviation Corp.	14 1/2	Pacific Gas & Elec.	26 1/2
Baldwin Locomotive	14 1/2	Packard Motors	—
Baltimore & Ohio	8 1/2	Par-A-Motor Airways	—
Barber Asphalt Co.	8 1/2	Paramount Pictures	—
Barnsdall Oil	33 1/2	Pennsylvania R.R.	—
Bendix Aviation	74 1/2	Philadelphia Read. Coal	22 1/2
Bethlehem Steel	13 1/2	Phillips Petroleum	—
Bliss & Co.	14 1/2	Public Service of N.J.	27
Boeing Airplane Co.	17 1/2	Pullman Inc.	—
Borg-Warner	20 1/2	Pure Oil	7 1/2
Briggs Mfg.	20 1/2	Radio Corp. of Am.	4
Budd Manufacturing Corp.	3 1/2	Reading Company, Com.	12 1/2
Canadian Pacific R'way	3 1/2	Remington Arms Co., Inc.	4 1/2
Case, J.I.	22	Republic Aviation Corp.	3 1/2
Celanese	39 1/2	Republic Steel	17 1/2
Chesapeake & Ohio	54	Revere Corp.	—
Chrysler Corp.	3 1/2	Reynold Tobac. "B"	32
Columbia Gas & Elec.	—	Safeway Stores	37 1/2
Commercial Credit Co.	—	Schenley Distillers	—
Com. & Southern (Ord.)	20 1/2	Sears Roebuck	69 1/2
Consolidated Edison	—	Shell Union Oil	10 1/2
Consolidated Oil	—	Socomey-Vacuum Oil	8 1/2
Continental Can.	17 1/2	Southern Pacific	8 1/2
Continental Oil	14 1/2	Southern Ry. \$5 pfd.	31 1/2
Copperweld Steel	23	Spicer Manufacturing Co.	—
Curtis Wright (C)	23	Standard Brands	—
Curtis Wright "A"	23	Standard Gas & Elec.	—
Deere & Co.	16 1/2	Standard Oil of California	18
Distillers Corp. Seagrams	64	Standard Oil of N.J.	33 1/2
Douglas Aircraft	140 1/2	Stone & Webster	—
Du Pont de Nemours	8 1/2	Studebaker Com.	6
Eagle Picher Lead	29 1/2	Swift International	8 1/2
Eaton Mfg. Co.	27 1/2	Technicolor	34 1/2
Elec. Autolite	34	Texas Corp.	34 1/2
Elec. Bond & Share	61	Texas Gulf Sulphur	35 1/2
Elec. Bond & Share \$5 pf.	61	Timken-Axle	—
Elec. Bond & Share \$6 pf.	61	Trans-America Co.	—
Elec. Power & Light \$7 pf.	50	20th Cent. Fox	—
Flintkote	50	Union Bag & Paper Corp.	62 1/2
Gen. American Trans.	31	Union Carbide & Carbon	76 1/2
Gen. Electric	40 1/2	United Aircraft	34 1/2
Gen. Motors	—	United Airlines Trans.	—
Gen. Railway Signal	—	United Corp.	—
Gen. Tire & Rubber	—	United Corp. \$3 cum pf.	—
Glidden Co.	—	United Gas Corp.	—
Goodrich (B.F.)	17 1/2	United Gas Improvement	—
Goodrich \$5 pf.	13 1/2	U.S. Industrial Alcohol	21 1/2
Goodyear Tire & Ca.	23 1/2	U.S. Rubber	18 1/2
Great Northern Iron Ore	10 1/2	U.S. Rubber \$8 pfd.	80 1/2
Great Northern Ry. pfd.	23 1/2	U.S. Smelting	58
Great Western Sugar	10 1/2	U.S. Steel	58
Greyhound Corp.	10 1/2	Vanadium	26 1/2
Hercules Powder Co.	87 1/2	Vulcan Aircraft	6 1/2
Homestead Mining	23 1/2	Walworth Co.	4 1/2
Int. Nickel	23 1/2	Warner Bros. Pict.	—
Int. Paper & Power	2	Westinghouse Elec.	91
Int. Tel. & Tel.	2	Woodward Iron Cor.	28
Johnsman	31 1/2	Chase National Bank	25 1

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S.S. "PRESIDENT COOLIDGE" Feb. 23
S.S. "PRESIDENT PIERCE" Mar. 5
S.S. "PRESIDENT TAFT" Mar. 19

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S.S. "PRESIDENT JACKSON" Mar. 23
S.S. "PRESIDENT HAYES" Apr. 20

To MANILA
S.S. "PRESIDENT PIERCE" Feb. 28
S.S. "PRESIDENT TAFT" Mar. 11
S.S. "PRESIDENT CLEVELAND" Mar. 26

To NEW YORK and BOSTON
via SAN FRANCISCO, LOS ANGELES and PANAMA
S.S. "PRESIDENT BUCHANAN" Mar. 27
S.S. "PRESIDENT JOHNSON" Apr. 13
S.S. "PRESIDENT FILLMORE" May 8

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NITTA MARU ... Tuesday, 11th Mar.

SEATTLE & VANCOUVER (Starts from Kobe)
HIE MARU ... Wednesday, 13th Mar.

SOUTH AMERICA (WEST COAST) via Hilo & San Francisco.

* SANUKI MARU (starts from Kobe) Thursday, 20th Feb.

NEW YORK via Japan & Panama

* AWATA MARU ... Thursday, 20th Mar.

SYDNEY & MELBOURNE via Manila.

HUSIMI MARU ... Wednesday, 26th Feb.

SAIGON

* DAKAR MARU ... Sunday, 23rd Feb.

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ANYO MARU ... Saturday, 1st Mar.

RANGOON & CALCUTTA via Singapore

* NAGATO MARU ... Saturday, 22nd Feb.

* DAKAR MARU ... Sunday, 23rd Feb.

KOBE & YOKOHAMA

TATUTA MARU ... Tuesday, 25th Feb.

ATUTA MARU ... Monday, 3rd Mar.

NITTA MARU ... Tuesday, 11th Mar.

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ROUND THE POLICE COURTS**AT CENTRAL****LARCENY BY TRICK**

Charged with larceny by a trick, Mok Kim-tsin, 28, unemployed, appeared before Mr. G. T. Lowry yesterday, when he was remanded for 24 hours to get in touch with his relatives.

He was alleged to have stolen, with another not in custody, \$350 from Lam Yan-san, 47, manager of Union China Company, No. 29, Hing Lung Street, by means of a trick at the Wellington Cafe, Wellington Street, on Dec. 22. Det.-Sgt. Wilson is in charge of the case.

DEFENCE REGULATIONS

Charged with a breach of the Defence Regulations by having in his possession three letters at Tung On Wharf, on Feb. 19 for the purpose of conveying out of the Colony other than by post, Tso Yip, 46, travelling trader, was fined \$5 by Mr. Lowry yesterday. Det.-Sgt. H.B. Dewar prosecuted.

POSSESSION OF TREEWOOD

Charged before Major A.N. Macfadyen yesterday for possession of treewood, Tsoi Ping-yeung, 27, earth cooler, who had two previous convictions, was fined \$50, or six weeks' hard labour; Lui Yuet-wah, 45, married woman, was fined \$20 or three weeks; Lo Chuen, 34, unemployed, was fined \$10, or two weeks, and Mak Po, 23, widow, \$5 or 10 days.

DOCK COOLIE FINED

Ho Chuen, 42, dock coolie, was fined \$25, or two months' hard labour, by Major Macfadyen yesterday for stealing two pounds of nuts and bolts and four pounds of bran fittings to the total value of \$11.50 from the Talkoo Docks on Feb. 19. Defendant had one previous conviction.

JUNK ROBBERY RECALLED

Charges of receiving stolen property in connexion with a robbery on board a junk off the East Brothers Islands last month were dismissed at District Court South yesterday in the case of six men, the only conviction registered being against the fifth of seven defendants, Wong Kam. Sentence has been postponed.

All defendants were, however, remanded in custody a week when further dates will be set for hearing of another charge of robbery and a further charge of receiving.

EXPULSION ORDERS

Expulsion orders were issued by the District Officer, Mr. Balfour against Shum Chai, 23, charged with having returned to the Colony after having once been expelled under the Vagrancy Act, and Ho Hin, 53, Kwong Wing, 23, and Cheng Lee, 49, described as destitutes.

DICE GAME

Wong Lok, 28, earth cooler, and six others had bail each of \$2 estreated when they failed to appear before Mr. Balfour on a charge of gambling in Chung On Street, Tsun Wan. It is alleged defendants were playing dice. A sum of \$154 in table money seized was placed in the Poor Box.

CASE DISMISSED

Charges against Chan Po, 34, foki in charge of trading junk No. T3645H that he had in his possession for sale firewood without having obtained a permit from the Store Comptroller were dismissed by the Magistrate on the Police offering no evidence.

\$500 FINE

Appearing on remand before Major Macfadyen yesterday, Chan Kam-shui, 33, overseer, charged

with on Feb. 17 on board trading junk No. T4285H in Shauiwan harbour moving 87 bags of rice without first having obtained a licence from the Controller of Trade, was fined \$500. Sgt. Kinloch prosecuted.

ASSAULTED D.W.

Mak Chau, 26, unemployed, was charged before Mr. Lowry with stealing from Tse Chek, 23, \$25.40 Chinese currency and assaulting district watchman No. 78 with intent to resist arrest on Jan. 2 at Bonham Strand East. Sub-insp. C. Goodwin prosecuted.

Sentence of one year's hard labour, followed by two years' police supervision, was imposed.

AT KOWLOON**"TSE FA" GAMING HOUSE**

For keeping a "Tse Fa" gaming house at No. 257, Apilu Street, and for possession of a number of Po Pip lottery tickets, Wong Lok, 65, rattle worker, was fined \$50 by Mr. H. C. Macnamara yesterday. The sum of \$2.67 was ordered to be placed in the Poor Box.

DET.-SGT. A. SHAW PROSECUTED

Ho Hol, appearing before Mr. Macnamara yesterday on charges of possession of wild tree wood and breach of expulsion order, was convicted on the first charge and sentenced to two months' hard labour, to be followed by expulsion. The second charge was withdrawn.

EXPULSION ORDER

Sentence of two months' hard labour, to be followed by expulsion, was imposed by Mr. Macnamara yesterday on Wong Hol, 25, for attempting to break into a dwelling house.

Det.-Sgt. A. Shaw prosecuted.

COOLIE BOUND OVER

Convicted for assaulting a constable of the Royal Navy Police, Chiu Fat, 25, coolie, was ordered to sign a personal bond of \$20, to be of good behaviour for one year by Mr. D. J. N. Anderson yesterday.

It was stated that defendant struck the Indian constable on the right eye with a chisel on Feb. 19 at Stonecutters Island.

BANK AUDITOR REMANDED

Appearing before Mr. Anderson yesterday, Liu Hing-lin, 36, bank auditor, of No. 16, Des Voeux Rd., was charged with breach of Defence Regulations.

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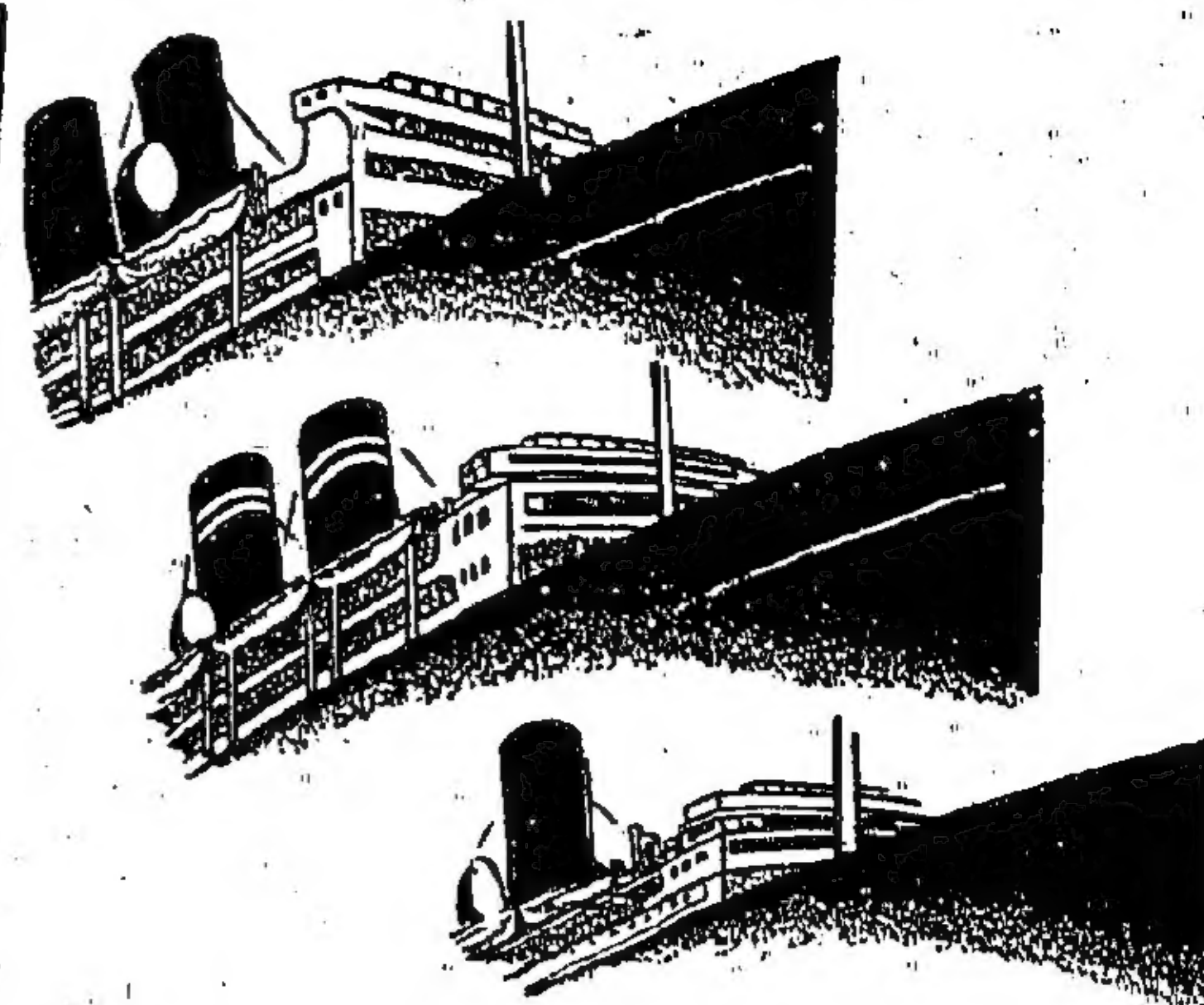
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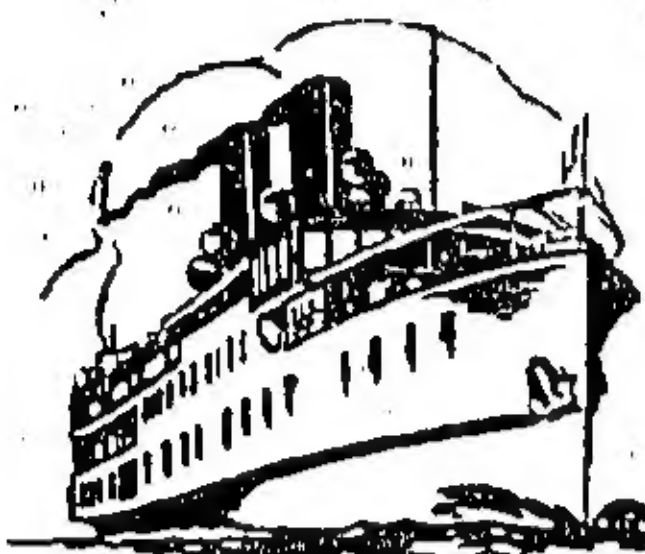
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SIR FREDERICK WHYTE ON

WHEN JAPAN WILL BE OBLIGED TO FIGHT

Axis Partnership Not So Bright As Six Months Ago

"Under the Axis Pact, Japan is not obliged to go to war until, and unless, some other Power, now not at war, should enter the war against Germany," said Sir FREDERICK WHYTE, K.C.S.I., when he broadcast from London yesterday in the "London News Letter" series.

Sir Frederick was referring to the developments in the Far East, where, he said, everyone knew that something was brewing. It was not, however, until the Australian War Council gave its warning of what was impending that the public took notice of these developments.

"We know that we are standing on the threshold of a crisis," said Sir Frederick, "and a great event might, indeed, occur if Japan were to move, especially towards Singapore, the Philippines and the Netherlands East Indies."

"She was already moving along that way and when Australia spoke, Japan's plans had not yet reached completion, but since then, though the situation has not grown worse, the atmosphere is still tense. There is, however, no reason to fear an immediate clash."

SHEW-MINDED SERVANT
"I am beginning to wonder how all this looked in Tokyo. I remembered that I had known Japan's Foreign Minister, Mr. Matsukata, when he was running a big show for the Japanese in Manchuria years ago. He was then a strong and shrewd-minded servant of the Japanese Empire. He is now winning his spurs in the Japanese Foreign Office."

"There is no more ardent worker for Japan than Mr. Matsukata, but he will find that arduous is not the only thing that is required in the shaping Japan's policy and, if he is as shrewd as I believe him to be, he will not neglect to take note of the signs, that have now become apparent."

Sir Frederick declared that if there was some slight slackening of the tension in the Far East, it was due to the things that had happened in the Far East itself.

"The course of the war and the way in which opinion in the United States has been changing are very different today to what they seemed likely to be or what Japan thought it likely to be when she joined the Axis," said Sir Frederick. "As a matter of fact, the Axis partnership does not look as bright as it did six months ago. Let us recall some of the salient facts."

"Under the Axis Treaty, Japan is not obliged to go to war until, and unless, some other Power not now at war, should enter the war against Germany. Herr Hitler was, of course, counting on Japan creating tension in the Far East and thus slowing down American aid to Britain."

STRUGGLE FOR TEN YEARS
Sir Frederick went on to explain that Japan had now been engaged in a struggle of varying magnitude for nearly ten years, since the Manchuria campaign of 1931. In the last three years she had been heavily engaged in China and she had had to pay a considerable price for these adventures.

"The Chinese are confident that they can stand the strain of the war better than Japan," said Sir Frederick, "and there is no doubt that this varying struggle in China has put a considerable strain on Japan's resources. So, whatever Japan may contemplate, she cannot replenish her resources for a bigger war."

Sir Frederick referred to Japan's fighting strength. He declared that her air force had never measured its strength with any other air force of equal size. Japan's chief trouble would lie not only in the strength of her armed forces for a new conflict, but in the ability of Japanese industry to provide her forces with equipment and war material. Japan got most of her raw material from foreign sources and therefore she would be facing a definite risk in cutting off these supplies by getting involved in a war with countries from which she usually obtained them.

ECONOMIC BLOCKADE
"If they push their programme of expansion to the front, we Western Powers would resist them," said Sir Frederick, "and the resistance of these Powers in the form of an economic blockade might well be effective in threat-

CONFERENCE IN TOKYO

A Domei Agency report states that a conference was held in Tokyo yesterday between the Japanese Government and the High Commands of the fighting services, when the latest developments in the international situation were discussed, according to a message from London.

The message added that the Vice-Minister for the Navy urged that a number of ships from the Japanese merchant marine should be transferred to the naval reserve as soon as possible.—(Special)

VIOLENT ATTACK ON INDO-CHINA AUTHORITIES

The Japanese Domei Agency has published a violent attack on the Indo-China authorities when it accuses of collaboration with the British and with Generalissimo Chiang Kai-shek, states a message from London.

The attack is the result of the alleged negotiations which a French officer is reported to have made for the purchase of 200 aircraft from Singapore.

These assertions are made by the Hanoi correspondent of Domei Agency, who in a dispatch accuses the Indo-China authorities trying to influence the British to intervene in Indo-China affairs.

The Domei Agency links up this accusation with the arrival of Australian troops in Singapore.—(Special)

THAI TROOPS FIRED ON

TOKYO, Feb. 20 (Reuter).—Violating the armistice agreement, Indo-Chinese troops along the border fired on Thai troops on Feb. 18, says a Japanese report, quoting a Bangkok newspaper, which adds the Thai troops did not reply.

MUSIC HALLS TO OPEN SUNDAYS

A condition which has lasted for two-and-half centuries in Britain is to be changed by an announcement made in the House of Commons yesterday by Mr. Herbert Morrison, Minister of Home Security, that music halls in England will continue to open on Sundays, states a message from London.

The announcement was made under the Defence Regulations and is for the purpose of providing munition workers with a chance for relaxation from their long hours of duty throughout the week.—(Special)

despatches to his Government? Even now, the latest messages show that more moderate influence appear to be at work in Japan."

BRITISH FORCES CROSS JUBA RIVER

BRITISH FORCES OPERATING IN ITALIAN SOMALILAND HAVE CROSSED THE JUBA RIVER, states a message from London.

This news was contained in a brief communique from Cairo yesterday and added that the British had driven off counter-attacks by the enemy in that region.

The Juba River runs south into the Indian Ocean. All territory west of the river of more than 10,000 square miles is now in British hands. Enemy positions on the river have been bombed.

Fresh successes by the British Imperial forces operating from Kenya were reported yesterday, according to a message from London. The garrison at Mega, inside Abyssinia, is stated to have surrendered.

RAIDS ON FORTS
South African bombers carried out raids on forts, camps, depots and barracks inside Abyssinia. They were greeted by enemy pom-pom and machine-gun fire, but pressed forward their attack.

The Abyssinian patriot army continues its pressure in the Lake Tana region. Here too the Royal Air Force has rendered great assistance and dropped leaflets calling upon all Abyssinians to join the patriot army.

DARLAN BACK IN VICHY

Admiral Darlan, the Vichy Vice-Premier, returned to Vichy by car yesterday after his talks with M. Laval, and other German officials, states a London message, which adds that M. Paul de Brignon, the Vichy representative in Paris, was present at the talks.

The talks are described by the German-controlled Paris radio as being of an informative character, but the press and the radio in Paris continue to denounce the anti-German attitude of the Vichy Cabinet and indulges in more threats of consequences if collaboration is not given.—(Special)

FOREIGN MAILS

HONGKONG, FRIDAY, 21st FEBRUARY, 1941, 9.30 A.M.

The General Post Office will be closed at 6.00 p.m. on Wednesday 26th, Thursday 27th, and Friday 28th, February 1941.

Particular notice should be taken of the time of closing the outward "Pan American Air Mail" on Thursday the 27th instant.

Mail Service to Madagascar and Reunion is temporarily suspended.

The public are reminded that it is a breach of postal regulations to enclose in a postal cover communications intended for persons other than the addressee.

The Printed Matter Service to the following places in China is temporarily suspended:—
Yunnan
Szechuan
Kweichow
Hunan
Kwangsi (except Amoy and Kulangsu)
Kwangsi (except Wuchow and Yungshien)
North and East of Kwangtung.

Small Packet Post to all countries is suspended.

INWARD MAILS

From	Due
Canton	21st Feb.
Sandakan	21st Feb.
Air Mail by "Pan-American Airways Direct Service"—San Francisco date, 15th February	22nd Feb.
United-Kingdom and Straits	22nd Feb.
Swatow	23rd Feb.
Canton	24th Feb.
U. S. A., Honolulu, Japan, and Shanghai — (San Francisco date, 7th February)	25th Feb.
Air Mail by "Pan-American Airways Direct Service"—San Francisco date, 20th February	27th Feb.
Canton	28th Feb.
United-Kingdom and Straits	28th Feb.
Calcutta and Straits	1st Mar.
United-Kingdom and Straits	2nd Mar.
Java and Manila	3rd Mar.
Australia and Manila	3rd Mar.
U.S.A. and Manila—(San Francisco date, 8th Feb.)	5th Mar.

OUTWARD MAILS

Registered and Parcel Mail are closed 15 minutes earlier than the time given below unless otherwise stated, and where mails are advertised to close at or before 9 a.m. registered and parcel mails are closed at 5 p.m. on the previous day. When mails are advertised to close after 5 p.m., Registered and Parcel mails are closed at 5 p.m.

For	Date and Time
FRIDAY	
Straits and Rangoon	Fri. 21st 12.30 PM K.P.O. Reg. 4.00 PM Ord. 4.30 PM
Air Mail by Air to Rangoon to connect with the "British Overseas Airways"	Reg. 4.00 PM Ord. 4.30 PM
Canton	7.00 PM
SATURDAY	
Sandakan, Australia and New Zealand via Sydney	Sat. 22nd G.P.O. & K.P.O. Par. 21st 5.00 PM Reg. 21st 5.00 PM Ord. 22nd 8.30 AM
	K.P.O. Reg. 8.00 PM Ord. 2.30 PM
Air Mail by Sea to Singapore to connect with the "British Overseas Airways"	Reg. 2.00 PM Ord. 2.30 PM
Straits, Rangoon and Calcutta	3.30 PM
Shanghai, Japan, Honolulu, U. S. A., Canada, Central and South America and United - Kingdom via San Francisco. (No Parcels for United-Kingdom).	G.P.O. Parcels 3.00 PM Reg. 4.45 PM Ord. 5.30 PM
Note:—All Mails for United-Kingdom will be forwarded with or without superscription.	K.P.O. Reg. 5.00 PM Ord. 5.30 PM
Air Mail for Manila, Guam, Honolulu, U.S.A. and Europe via "Pan-American Airways, and Trans-Atlantic Services"	Reg. 5.00 PM Ord. 5.30 PM
Straits, Ceylon, India, East and South Africa	5.30 PM
SUNDAY	
Manila, Batavia and Sourabaya	Sun. 23rd 9.00 AM
Saloon	9.00 AM
MONDAY	
Sandakan	Mon. 24th 2.30 PM
TUESDAY	
Shanghai, Japan, Honolulu, U. S. A., Canada, Central and South America via San Francisco	Tue. 25th G.P.O. & K.P.O. Reg. 24th 5.00 PM Ord. 25th 5.30 AM
	K.P.O. Reg. 11.00 AM Ord. 11.30 AM
Air Mail by Sea to Singapore to connect with the "British Overseas Airways"	Reg. 11.00 AM Ord. 11.30 AM
Straits	12.30 PM
Canton	7.00 PM
WEDNESDAY	
Manila, Australia and New Zealand via Thursday Island	Wed. 26th G.P.O. & K.P.O. Reg. 1.45 PM Ord. 2.30 PM
THURSDAY	
Air Mail for Manila, Guam, Honolulu, U. S. A., & Europe via "Pan-American Airways, and Trans-Atlantic Services"	Reg. 4.30 PM Ord. 5.00 PM
	G.P.O. Reg. 4.30 PM Ord. 5.00 PM

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